

IFAD'S ENGAGEMENT IN PRO-POOR VALUE CHAIN DEVELOPMENT

Independent Office
of Evaluation

 **IFAD**
Investing in rural people

CORPORATE-LEVEL EVALUATION



IFAD'S ENGAGEMENT IN PRO-POOR VALUE CHAIN DEVELOPMENT

Independent Office
of Evaluation

 **IFAD**
Investing in rural people

CORPORATE-LEVEL EVALUATION

©2019 by the International Fund for Agricultural Development (IFAD)

This report is a product of staff of the Independent Office of Evaluation of IFAD, and the findings and conclusions expressed herein do not necessarily reflect the views of IFAD Member States or the representatives to its Executive Board. The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations “developed” and “developing” countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All rights reserved.

ISBN 978-92-9072-938-9

Cover photos by: (front) ©IFAD/Susan Beccio, ©IFAD/R. Ramasomanana, ©IFAD/Paolo Marchetti, ©IFAD/Radhika Chalasani, ©IFAD/Andrew Esiebo/Panos; (back) ©IFAD/GMB Akash, ©IFAD/Nana Kofi Acquah

Printed on FSC paper
by Tipografia Euroasia srl, Rome, Italy

August 2019

Contents

Abbreviations and acronyms	iv
Acknowledgements	v
Foreword	vii
Overview	ix
IFAD Management's response	xix
1. Background	1
A. Introduction	1
B. Towards a definition of a value chain	3
C. Review of the experience of other organizations	3
D. A conceptual framework for value chain systems	5
E. A representation of IFAD's support to pro-poor value chain development	8
F. Methodology	9
G. Evaluation process	12
2. Corporate strategies and processes, and the portfolio supporting value chains	15
A. Overview of the IFAD portfolio on value chains	15
B. Corporate-level strategies and policies	19
C. Integration of value chain issues in COSOPs	21
D. Human resources and corporate procedures for value chain development	22
E. Knowledge products	25
3. Relevance of project design	29
A. Quality of project design	29
B. Approaches to value chain development	31
C. Value chain governance and private-sector partnerships	34
D. Financing value chain development	37
E. Targeting approaches	38
F. Gender equality and value chain at the design stage	40
4. Operational performance and effectiveness of projects	43
A. Overview of institutional data on implementation performance	43
B. Specific outcome areas	44
C. Value chain performance	51
D. The enabling policy and regulatory environment	55
E. Risk management	56
5. Outreach, impacts and sustainability	59
A. Outreach: poverty, gender, youth and indigenous groups	59
B. Changes in incomes, assets and food security for the poor	66
C. Sustainability	71
D. Mapping of the main findings: an overview	77
6. Conclusions and recommendations	83
A. Conclusions	83
B. Recommendations	85
Annexes	
I. Project classification	87
II. Supporting tables and materials	100
III. Evaluation matrix, country/project selection, and country visits checklist	104
IV. Electronic survey	118
V. List of key persons met	133
VI. Bibliography	142

Abbreviations and acronyms

4Ps	public-private-producer partnerships
APR	Asia and Pacific Division of IFAD
ARRI	Annual Report on Results and Impact of IFAD Operations
ASAP	Adaptation for Smallholder Agriculture Programme
CLE	corporate-level evaluation
COSOP	IFAD country strategic opportunities paper/programme
CPM	country programme manager
CSPE	country strategy and programme evaluation
DANIDA	Danish International Development Agency
DEval	German Institute for Development Evaluation
DFID	Department for International Development, United Kingdom
ENRM	environment and natural resources management
ESA	East and Southern Africa Division of IFAD
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GIZ	German Corporation for International Cooperation
GRIPS	Grants and Investment Projects System
IDEV	Independent Development Evaluation of the African Development Bank
IED	Independent Evaluation Department of the Asian Development Bank
IFAD7	Seventh Replenishment of IFAD's Resources
IFAD8	Eighth Replenishment of IFAD's Resources
IFAD9	Ninth Replenishment of IFAD's Resources
IFAD10	Tenth Replenishment of IFAD's Resources
IFAD11	Eleventh Replenishment of IFAD's Resources
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division of IFAD
M&E	monitoring and evaluation
MoU	memorandum of understanding
MTR	mid-term review
NEN	Near East, North Africa and Europe Division of IFAD
PCRv	project completion report validation
PMD	Programme Management Department of IFAD
PMI	Sustainable Production, Markets and Institutions Division of IFAD
PMI/RME	Rural Markets and Enterprises desk team in IFAD
PPE	project performance evaluation
PPP	public-private partnership
PTA	former Policy and Technical Advisory Division of IFAD
QA	quality assurance mechanism of IFAD-funded projects
QE	quality enhancement mechanism of IFAD-funded projects
RIA	Research and Impact Assessment Division of IFAD
RIMS	Results and Impact Management System of IFAD
SDG	Sustainable Development Goal
SMEs	small and medium-sized enterprises
SNV	Netherlands Development Organisation
USAID	United States Agency for International Development
WCA	West and Central Africa Division of IFAD

Countries, titles and acronyms of the projects reviewed in depth are given in annex I.

Acknowledgements

This corporate-level evaluation was finalized under the overall strategic guidance of Oscar A. Garcia, Director of the Independent Office of Evaluation of IFAD (IOE). It was prepared under the responsibility of Fabrizio Felloni, Deputy Director, IOE, with key technical contributions from Tullia Aiazzi, Jean-Jacques Franc de Ferrière, Walid Gaddas and Sally Smith, senior consultants.

Jorge Carballo, Prashanth Kotturi, Renate Roels and Abdoulaye Sy, evaluation research analysts, provided support in desk-review, data analysis and selected country case studies. Adolfo Patron Martinez provided support and data analysis to the electronic survey. Manuela Gallitto, Laura Morgia and Pilar Zúñiga provided administrative support.

The report benefited from a peer review conducted within IOE. In addition, the report benefited from the comments of two senior independent advisers: Derek Poate, international consultant, and Monika Sopov, senior adviser, Wageningen Centre for Development Innovation, who also participated in an inception workshop at the beginning of the evaluation. Marcus Fedder, senior international finance specialist, provided a review of the draft report and of the analysis of value chain financing.

IOE thanks IFAD management and staff for their input and comments at various stages, and in particular those staff members who supported the conducting of country case studies and who led a self-assessment exercise.

Finally, IOE would like to convey appreciation to the governments and development partners in many countries for supporting the conducting of case studies.



NIGER

Nana Badama (left) and Hinda Salha grind millet in Dan Saga Village in North Aguié.

©IFAD/David Rose

Foreword

Traditional food systems are increasingly being replaced by larger-scale processing, wholesale and logistics operations serving retailers, food service operators and large markets through coordinated value chains. While small-scale producers are still responsible for a high share of food production, they receive a disproportionately low share of its market value and often operate on the margins of value chains.

The proportion of IFAD-funded projects with a value chain focus has grown considerably. In terms of numbers of projects approved, the proportion of value-chain-relevant projects increased from 41.5 per cent between 2007 and 2009 (Seventh Replenishment of IFAD's Resources [IFAD7]) to 72.3 per cent between 2016 and 2018 (IFAD10), while in terms of the volumes of loans approved, the increase was from 50 per cent to 81 per cent in the same period.

This major shift posed challenges, given that the value chain topic was new to many IFAD staff members as well as to government staff in charge of managing IFAD-funded projects. While IFAD has elaborated several toolkits and knowledge products on value chains, it lacks an overarching conceptual framework and strategy laying out how to support pro-poor value chain development. This has led to disparity of interpretations and inconsistent approaches.

This evaluation finds that project design has evolved, reflecting improvement in the understanding of the value chain concept. However, analytical gaps remain. Few designs have been supported by market intelligence to prioritize the choice of commodities and steps within the value chain in order to achieve pro-poor outcomes. Moreover, there has been little emphasis on market information systems and technology that could reduce transaction costs and help small producers make decisions based on market trends.

The evaluation suggests that it is possible to reach out to poor and very poor producers through value

chain approaches, but that this requires specific emphasis. IFAD-funded projects did not always maintain a focus on poorer groups, largely due to varying attention to targeting and to barriers to entry for poorer producers.

Long-term IFAD support to value chain governance was associated with stronger performance. The most convincing pro-poor outcomes occurred where IFAD had prior experience in the project area and where projects enabled multi-stakeholder platforms for dialogue between value chain actors.

The evaluation recommends preparing a corporate strategy for IFAD's support to value chain development that clarifies objectives and principles of engagement as well as the resources required. It advocates adopting a "programmatically" approach to value chain development, recognizing the need for long-term engagement. The evaluation emphasizes the importance of promoting an inclusive value chain governance and regulatory environment. It recommends sharpening the approaches to value chain financing, as projects have been effective at providing basic financial services to producers, but less so in securing finance for small and medium-sized enterprises and producer organizations.

This evaluation report includes IFAD Management's response, presenting the IFAD Management's proposals on ways to implement the evaluation's recommendations. I sincerely hope that this important work will help IFAD sharpen its approaches to pro-poor value chain development as a way of promoting rural development and rural poverty reduction.



Oscar A. Garcia

Director

Independent Office of Evaluation of IFAD

NEPAL

41-year-old Dilli Timalsena manages the trays of ground turmeric in the dryer at the Bhattarai Masala factory in Surkhet in Western Nepal.

©IFAD/Sanjit Das/Panos



Overview

Introduction

1. **Background, scope and methodology.** In December 2017, the Executive Board of IFAD approved the undertaking of a corporate-level evaluation (CLE) by the Independent Office of Evaluation of IFAD (IOE) on IFAD's engagement in pro-poor value chain development. The objectives of the CLE were to: (i) assess IFAD's performance in supporting pro-poor value chain development; (ii) examine the effects on rural poverty reduction and inclusive, sustainable rural development; and (iii) identify options for improvement.
2. The market share of large agribusinesses and retail chains has grown rapidly in most parts of the world. However, while small-scale producers are responsible for a large share of total food production worldwide, they receive a disproportionately small share of its market value. Governments and development agencies, and some large firms pressured by civil society, have engaged in supporting more sustainable and inclusive value chain development. The 2030 Agenda for Sustainable Development adds impetus to these efforts, specifically Sustainable Development Goals 8 (decent work and economic growth) and 12 (responsible consumption and production). The focus on "leaving no one behind" advocates for the inclusion of poor producers and marginalized groups.
3. IFAD's commitment to developing pro-poor value chains has grown since the mid-2000s, peaking in around 2015. An evaluation of these interventions is therefore timely. This CLE assesses to what extent the focus on value chains has contributed to furthering IFAD's mandate of rural poverty reduction, and under what conditions it has helped reach very poor areas and people. The CLE also reviews the degree to which IFAD's corporate processes and resources are conducive to value chain development.
4. The evaluation spans the period 2007 to 2018, thereby including also the IFAD 2007-2010 Strategic Framework, wherein the value chain concept emerged more clearly, and for the capturing of recent examples of value chain project designs.
5. **Sources.** The CLE collected and analysed data from: (i) IFAD official documentation (corporate strategies, country strategic opportunities programmes, project reports, and knowledge products); (ii) IFAD institutional databases on loans and grants; (iii) a review of 77 projects in 29 countries, through field visits, desk analysis and other evaluations; (iv) a Management self-assessment workshop; (v) key informant interviews with IFAD managers and staff, and representatives from governmental and non-governmental organizations, international organizations, private-sector organizations, farmers' organizations and civil society organizations; (vi) an electronic survey of IFAD staff and managers of IFAD-funded projects; and (vii) a review of relevant experience from other organizations.
6. **Operational definitions.** The CLE defined:
 - a value chain as a set of enterprises and stakeholders along the range of activities required to bring a product from the initial input supply stage, through the various phases of production, to its final market destination;
 - a pro-poor value chain development intervention as an initiative that promotes inclusiveness and empowerment of poor people in the value chain, improving their livelihoods in a sustainable manner.
7. Drawing on the literature on value chains, the CLE proposes a conceptualization of the **value chain as a multilayered system** (figure 1, main report). The first layer comprises economic functions around a commodity: from production to aggregation, storage, processing and distribution to the end-consumers. The second layer includes providers of inputs and financial and non-financial services

that are essential for the economic viability of the value chain. The third layer is value chain governance, consisting of the business linkages, relationships and power distribution among stakeholders (e.g. producers, buyers, processors, service providers and regulatory institutions). The fourth layer is the market context characterized by supply-demand dynamics and by varying degrees of competition. The fifth layer is the broader enabling environment affecting the dynamics between the concomitant flows of commodity, money and information from one end of each value chain to the other, i.e. the performance of the value chain.

Evolution of the portfolio of value chains and of corporate support

8. This CLE found that between 2007 and 2018 out of 367 projects approved, 62.1 per cent were value-chain-relevant. In terms of volume of investments, out of the total US\$10.2 billion approved, 68 per cent (US\$6.96 billion) was for value-chain-relevant projects.
9. **There was a marked increase in the proportion of value-chain-relevant projects between the Seventh Replenishment of IFAD's Resources (IFAD7) and the Tenth Replenishment of IFAD's Resources (IFAD10).** In terms of numbers of projects approved, the proportion rose from 41.5 per cent in IFAD7 (2007-2009) to 72.3 per cent in IFAD10 (2016-2018). In terms of volumes of loans, country-specific grants and Adaptation for Smallholder Agriculture Programme (ASAP) funds, the increase was from 50 per cent to 81 per cent.

Corporate strategies and processes

10. Despite the size of these investments, IFAD has no corporate policy or strategy on value chain development. Over time, the concept of value chain development has been integrated into several IFAD's policies and strategies to varying degrees. For example, the Private Sector Strategy of 2011, which aimed at deepening engagement with the sector, made provisions to strengthen the capacity and knowledge of IFAD staff, but omitted capacity-building for government staff and project staff, even though the governments are responsible for project implementation.
11. IFAD has elaborated several toolkits and knowledge products on value chain development. These are adequate for introductory briefings and only 51 per cent of project managers are aware of them (against 89 per cent of IFAD staff).

Most importantly, IFAD lacks an overarching conceptual framework for a pro-poor approach to value chain development.

12. **The growth of the value-chain-relevant portfolio has led to overstretched in-house expertise.** Until mid-2018, IFAD had three technical advisers located at its headquarters who were responsible for value chain topics, in addition to other assignments. The 2018 corporate reassignment resulted in there being one technical adviser at headquarters and one in the Peru hub, who will also have broader tasks in the design and supervision of projects. As is typical of IFAD, there will be heavy reliance on consultants. This still requires staff members with expertise in the subject to select and supervise competent consultants and ensure continuity of institutional learning.
13. With regard to the corporate procedures adopted for quality enhancement and assurance, until 2018 no specific items/questions for value chain development interventions were developed, and such interventions were treated as any other intervention. IFAD staff acknowledged that the corporate mechanisms were unable to ensure harmonized approaches and specialized quality assurance across all projects approved by the Fund.
14. **Mid-term reviews** have been an opportunity for significant revision of value chain projects, notably on targeting matters. However, the practice of holding these reviews after four or five years of project implementation leaves limited time to implement changes.

Relevance of project design

15. Typically, IFAD has adopted a step-by-step process at the country level, by focusing first on primary production, followed by access to markets, and finally value chain development. **There has been considerable "learning by doing."** Projects with better value chain analysis at design (e.g. in Rwanda, Sao Tome and Principe, and Senegal) have built on previous experience in a given area and on specific commodities through which IFAD and the government had acquired knowledge of both the area and the target groups, that could be capitalized upon through a value chain approach.
16. However, there has been no systematic analysis of the preparedness of the national and local context for a value chain approach and appropriateness of project design including the realism of the time frame. To some extent,

TABLE 1

Examples of IFAD approaches to value chain upgrading

Approach	Description
Product and process upgrading	Product upgrading is the improvement in quality and/or quantity of production (production techniques, higher-value products). Process upgrading is the improvement in efficiency of the production process, greater access to new technologies, better organization to reduce production costs, and improvements in certification, food safety or traceability.
Functional upgrading	Adding new functions and activities to the target group (e.g. producers and their associations), such as processing, storage, packaging, to capture more value.
Strengthening horizontal linkages	Improving linkages among stakeholders at the same functional level of the value chain (e.g. creation of cooperatives, federations, capacity-building of producer organizations) to improve their bargaining power to buy their inputs and/or to sell their outputs.
Strengthening vertical linkages	Improving linkages among stakeholders at different functional levels of the value chain. This may include, for example, promoting formal/stable types of contracting, access to market information, multi-stakeholder platforms, and improving physical access to markets.

Source: IFAD (2017). Stocktaking of IFAD's Value Chain Portfolio. PTA-RME Desk (Mimeo).

this may be due to the absence of a common framework for pro-poor value chains.

17. **Few project designs included plans for, or were informed by, a structured form of market intelligence**, such as: (i) market characteristics, opportunities and trends; (ii) price evolution over time and locations; or (iii) estimation of initial investments and costs for small-scale producers.
18. While value chain analysis at design is important, it is also essential to validate and update the analysis during project start-up and implementation, including filling gaps in the original analysis. Validating value chain analysis is particularly important where there is a substantial delay between design and implementation, as market conditions and opportunities can change rapidly. Such validation did not always take place.
19. **Projects took different approaches to value chain development**, as shown in overview table 1. Product and process upgrading and the strengthening of horizontal linkages, which were derivative of IFAD's traditional project approaches, were deployed in the vast majority of projects. This suggests that production aspects required improvement before interventions could address issues such as strengthening vertical linkages or functional upgrading, which were less frequently observed. However, this may point to a lack of clarity within IFAD as to how to facilitate access to the three value chain flows – commodity, money

and information – in order to maximize their benefits in the process.

20. **Market information systems** were planned in only 14 per cent of the projects reviewed, and intended results were not always achieved. A lack of market information systems undermined stakeholder access to transparent information, with negative effects on decision-making and market risk management. The main challenges concerned the time required to establish market information systems and ensuring that these systems were institutionalized and financially sustainable in order to reduce dependence on project funding. Moreover, the CLE observed few cases of innovations involving the application of information and communications technology.
21. **Mechanisms to improve value chain governance** were promoted in two thirds of the projects reviewed. Purchase agreements between producers and buyers were the most common form of governance, involving 53 per cent of projects, while 35 per cent promoted public-private-producer partnership (4Ps) and 19 per cent supported multi-stakeholder platforms.
22. Purchase agreements ranged from loose, informal agreements to fully defined contracts specifying the quantity, quality and price of goods and the terms of the transaction. Some projects facilitated agreements between producer groups and processors, for example, the rice value chain in Cambodia. Other projects enabled producer organizations to better supply clients according to precise requirements for quality and

delivery (for example, oil palm fruit bunches in Uganda; coffee, cocoa, cashew and horticulture cooperatives in El Salvador and Honduras; and coconuts and ornamental leaves in Viet Nam).

23. The 4Ps were agreements between government agencies, private-sector entrepreneurs and producer organizations. They were instrumental in motivating private-sector engagement in pro-poor value chains; for example, by facilitating access to production credit through multi-party arrangements between agribusinesses, banks and producers (e.g. Ghana, Sri Lanka and Uganda) or joint financing of seedlings by the project, local government and agribusinesses (Nepal).
24. However, **in many instances, the quality of consultation with the private sector was limited.** Apart from the Vegetable Oil Development Project in Uganda, which succeeded in involving large-scale investors over time, the majority of interventions did not address fundamental questions on the incentives for entrepreneurs to partner with small-scale producers and the requirements, such as: (i) the size of the initial investment needed (training, machinery);(ii) the expected profit margin and risks; and (iii) the size of the market and the level of competition.
25. Nineteen per cent of the projects reviewed set out to form a **multi-stakeholder platform** – a forum that brings together the stakeholders linked to a value chain (e.g. input providers, producers, processors and distributors) to improve communication, trust and mutual understanding, and establish commercial relationships. Establishing these platforms was a more advanced form of intervention on governance. It functioned well where there was a tradition of dialogue among stakeholders, such as in Niger and Senegal. However the role of projects in enabling all actors to participate actively was equally important. Where results were less satisfactory (e.g. in Cameroon and Mauritania), this was due to design gaps and implementation issues as well as contextual factors (e.g. tensions among ethnic groups, weak governance and insecurity).

Specific outcome areas

Capacity development

26. Most projects included capacity-building on production and post-harvest handling for **small-scale producers** as part of product and process upgrading, an approach derived of IFAD's traditional production focus. A weak area was **the absence of functional literacy and numeracy** courses for small-scale producers, with few exceptions (e.g. in Morocco), despite literacy, numeracy and financial literacy are a key factor for poor producers to engage in value chains. IFAD's gender policy also includes literacy among the tools needed to increase self-confidence.
27. **For producer organizations**, capacity-building consisted of training on: management of warehouse stock and finance; marketing; and business plan development. Effectiveness was uneven. A key factor contributing to positive results was the duration of the support provided to the producer organizations, in particular when the basic competencies and skills at project start-up were low and illiteracy rates high. Producer organizations supported for two (or more) project cycles (i.e. a time horizon of 10-15 years), showed significantly better capacity to run their businesses (e.g. in El Salvador and Rwanda).
28. **Capacity-building of project staff was not addressed systematically.** Value chain or marketing specialists were only occasionally foreseen in project management units, joining late when hired, and with unclear terms of reference. Most project managers had limited familiarity with value chain development. Value chain specialists recruited as members of supervision missions provided some support to project staff, albeit of short duration. In some cases, IFAD's country programme managers (CPMs) facilitated collaboration with bilateral technical assistance (e.g. Belgian cooperation and the United Kingdom's Department for International Development [DFID] in Viet Nam; the German Corporation for International Cooperation [GIZ] and the United States Agency for International Development [USAID] in Ghana). Moreover, in a few cases, regional grants (e.g. to the Netherlands Development Organisation [SNV] and Helvetas) paved the way for more systematic initiatives. Overall, there was no capacity-building strategy through which technical support opportunities were defined in a coordinated manner and synchronized with project activities.

Financial services

29. Overall, projects were effective in providing basic financial services to producers through community-level informal groups and some microfinance institutions. However, assessed projects typically **offered conventional rural finance services**, rather than instruments specific to value chain financing. The most common instruments were: (i) linkage facilitation between formal and informal financial institutions;

- (ii) credit provided by rural finance institutions to small-scale producers, generally short-term finance for purchasing inputs; (iii) matching grants for small-scale producers to reduce the total amount borrowed; and (iv) grants to aggregators, processors and wholesalers to offset costs and incentivize partnerships with small-scale producers and their associations.
30. The experience in financing small and medium-sized enterprises, and cooperatives and producer organizations was mixed at best. In turn, these organizations could not offer prompt cash payment to their members, thus creating incentives for side-selling and sometimes making it difficult to fulfil purchase agreements with buyers. Part of the problem was the banks' low familiarity with the specific agribusiness finance systems; hence, the risk aversion in dealing with agricultural credit. From the borrower's side, cooperatives and producer organizations faced small profit margins and could not afford the prevailing interest rates.
31. IFAD is now testing new instruments to serve the lower-middle tier of value chain stakeholders directly (for example, through non-sovereign lending and equity investment funds). These initiatives are at an early stage and breakeven is still to be demonstrated.

Changes in value chain governance

32. Many of the value chains supported by IFAD-funded projects can be characterized as **buyer-driven value chains**. In these, suppliers work to the parameters set by market demand, which include strict requirements for quality, quantity, and delivery timelines, as well as compliance with sanitary and phytosanitary standards. These agreements brought benefits to small-scale producers in terms of access to knowledge and resources, more secure markets and income. However, they did not substantially alter the way the chain was governed, as producers continued to have a weak bargaining position relative to agribusinesses.
33. **More far-reaching results** in terms of changes in governance were found in the projects **where multi-stakeholder platforms had been established and worked well** (e.g. in Nepal, Niger, Senegal and, in part, Ghana and Uganda). The platforms opened up space for dialogue and coordination around issues such as input supply, market infrastructure, price level, market information and dispute resolution. This represented a shift from market-based governance to more relational governance.

34. Evidence on the **distribution of value** within value chains was fragmented but the distribution appeared to be more stable and equitable where: (i) efforts were invested in developing dialogue and trust between stakeholders; (ii) producer organizations were empowered to negotiate exchange conditions; (iii) competition among buyers was high; (iv) the focus was on niche markets; and (v) buyers were committed to fair terms of trade.

Managing risks

35. Projects sought to help small-scale producers and other value chain stakeholders manage **production-related risks** through training on improved agronomic practices and control of pests and diseases. Logistical and infrastructure-related risks were addressed by constructing or rehabilitating rural roads and bridges.
36. Most projects had **little focus on market and price risks**. The raspberry value chain in Bosnia and Herzegovina exemplifies the failure to use market intelligence to anticipate a price crash due to oversupply. In Mozambique, a disregarded risk was the low commitment of entrepreneurs to engage with the projects and with producer organizations through fair contractual relations.
37. **Policy and enabling environment issues and risks were addressed by a minority of projects**. A positive example was in Sudan (under the Revitalizing the Sudan Gum Arabic Production and Marketing Project [Gum Arabic]), where cofinancing with the World Bank helped turn a national purchasing board authority, which was depressing farm-gate prices, into a regulatory authority and opened the market to private traders, which, reportedly, led to farm-gate price increases. In Kenya, two projects worked on the regulation of the horticulture subsector and on policies for the dairy subsector. Attention to regulatory services such as veterinary and phytosanitary control was not common. Regulation on and verification of product standards, labelling, and food safety are likely to become a priority in the future, including for domestic markets in developing countries.

Targeting and outreach

38. The CLE analysed the strategies used to reach target groups. Geographical targeting strategies typically focused on less-developed or food-insecure regions or districts. This can be problematic as value chains are not bound by administrative borders. For example, in Viet Nam shrimp farmers in the Ben Tre Province could

not be linked to processors because the latter were located in a province outside the project area. Recent projects have switched to a **cluster approach**, grouping poor municipalities with wealthier ones in geographical areas offering comparative advantages in markets. When used in combination with strategies to identify poor producers, this is a sensible strategy.

39. A targeting strategy unique to value chain projects was the **selection of value chains on the basis of the likely benefits to poorer producers** and other target populations. In some cases, this was linked to analysis of the land, livestock or capital required for production, such as in Bosnia and Herzegovina where the raspberry and gherkin value chains were selected as these crops can be produced on very small plots of land. In other cases, for example, Senegal and Viet Nam, it was done through a participatory selection process.
 40. Most projects allowed for **the inclusion of rural populations with different levels of poverty**, such as very poor, poor and better-off rural households. Provided that it did not create a systematic anti-poverty bias, this was a reasonable choice in that value chain development entails working with diverse stakeholders that have different skills and roles. However, evidence indicates that some 24 per cent of the projects reviewed were not effective in reaching poor and very poor households, and 36 per cent were effective, while for the remaining 40 per cent the information was inconclusive or it was too early to tell.
 41. In general, **factors contributing to effective outreach to poorer small-scale producers** included: (i) selecting commodities requiring little land or capital investment and involving intensive, unskilled labour inputs; (ii) enforcing pro-poor requirements for agribusinesses as a condition for obtaining IFAD project support; (iii) community-based groundwork and mobilization of producer groups combined with other activities; and (iv) previous work in the same area establishing the productive base and local knowledge, and a participatory approach to design and implementation.
 42. **Weak targeting often occurred where private operators were left to select the small-scale producers** who would receive project benefits, and there was no clear linkage with other project components such as community development and production enhancement. There were also **assumptions about trickle-down effects** to poorer groups from supporting more entrepreneurial farmers and agribusinesses.
- Such effects were more likely when there was: (i) a sizeable increase in the demand for smallholders' products and a significant increase in farm-gate prices (e.g. coconut processing in Viet Nam); and/or (ii) sizeable effects on the demand for unskilled or semi-skilled labour (e.g. in El Salvador, Honduras and Rwanda). However, in most cases, assumptions about trickle-down effects had not been verified.
43. Most projects planned a **gender-mainstreaming approach, but many did not set out concrete measures**. Leadership and capacity on gender within project management teams were sometimes weak. Better results were achieved in projects where value chains involving large numbers of women as producers or processors (e.g. food crops, small ruminants, artisanal products, agroprocessing) were selected as a way to channel benefits to women. It was also useful when projects applied **affirmative action**, such as quotas for women's participation in producer organizations and engagement with value chain stakeholders to facilitate inclusion. However, most projects did not adequately deal with the structural causes of gender inequalities, including social norms and the distribution of economic resources at all levels of the value chain.
 44. **Engagement with youth** emerged as a focus area in more recent projects. An effective strategy for reaching large numbers of young people was to select value chains in which youth were already engaged and mainstream youth inclusion across all project activities. In other cases, lack of access to land and other assets was a barrier to young people's involvement. In general, there was **little investment in vocational training linked to value chain requirements**. In Viet Nam, for example, there was a shortage of skills in the expanding agrifood industry, but vocational training centres did not offer the right type of training. Yet, available studies suggest that most future work opportunities for underemployed rural workers will occur in manufacturing or service industries affiliated with agriculture (e.g. food and agro-industrial processing, agrologistics, and food distribution services). For IFAD, this is a strategic long-term opportunity in several countries.
- Changes in incomes, assets and food security for the poor**
45. In spite of major variations between countries and projects, the CLE found many examples of improvements in productivity combined with better access to markets and timing of marketing,

higher farm-gate prices, and diversification of marketed products. These helped drive an increase in revenues of small-scale producers, although the size of the increase was variable and precise data were often missing.

46. **The mechanisms through which value chain participation benefited the poor included:** (i) improvements in the characteristics of products (e.g. larger size and improved appearance of fruit in Morocco) or a shift to higher-value products (e.g. vegetable crops or fruits, as in China) that were expected to lead to profit increases for farmers; (ii) price mechanisms, such as **ex ante agreement on a fixed price** to reduce risks of price fluctuation for producers; and **price premiums** linked to product characteristics (e.g. organically grown coconuts in Viet Nam); (iii) improvements in producers' capacity to negotiate output prices, and increased economies of scale for producers thanks to horizontal linkages (e.g. in El Salvador and Honduras); (iv) capturing value added through functional upgrading (e.g. through processing, and reducing the role of intermediaries); and (v) employment generation - for which evidence was generally limited, but in some value chains, such as coffee, horticulture and dairy (e.g. in Bosnia and Herzegovina, El Salvador, Honduras and Rwanda) the CLE observed increased waged labour in producer organizations and agribusinesses as a result of IFAD-supported projects.
47. Linkages with food security are more complex to trace. Projects that developed value chains for staple crops and for fisheries products for local and national markets led to food security improvements, either through increased incomes, or through reduction of post-harvest losses.
48. **Prospects for sustainability varied widely.** Economic and financial sustainability was higher

where value chains had been selected through sound market analysis, and where producers and processors had access to affordable financial services. Institutional sustainability benefited from commitment and leadership at the senior policymaking level and from intensive and long-term capacity-building efforts for cooperatives and producer organizations. Social sustainability was enhanced by well-functioning multi-stakeholder platforms and a commitment to corporate social responsibility and to fair distribution of benefits.

Mapping of the main findings: an overview

49. The CLE was able to map two thirds of the 77 projects analysed by using two main outcome indicators: (i) the level of development of value chains (incipient, intermediate or advanced); and (ii) the degree to which value chains were generating pro-poor outcomes (low, medium or high). Overview table 2 shows the result of the classification. With regard to value chain development, 35 per cent of cases were incipient, 41 per cent intermediate and 23 per cent advanced. In terms of pro-poor outcomes, 33 per cent were low, 44 per cent medium, and 22 per cent high.
50. In 20 per cent of the projects, value chains were found to be incipient and with low pro-poor outcomes in the absence of a clearly articulated value chain design and where implementation did not go beyond supporting production. At the same time, a small but significant percentage of projects (10 per cent) achieved advanced value chain development with high pro-poor outcomes. In these cases, a common trait was that IFAD had long experience in the project area and had supported multi-stakeholder platforms and interprofessional associations.

TABLE 2

Mapping of projects and value chains by level of development and by pro-poor outcomes

Value chain development	Pro-poor outcomes (percentage of observations)		
	Low	Medium	High
Advanced	3	10	10
Intermediate	10	19	12
Incipient	20	15	0

Source: CLE (2019).

Conclusions

51. **IFAD's investment in value chain development had come to dominate the portfolio by IFAD10.** However, this remarkable transition occurred without a shared conceptual framework, and its intrinsic complexity was not fully appreciated. Value chain interventions need a deeper level of analysis at design and the capacity to respond and adapt during implementation through a swift feedback loop. There was no coherent corporate or regional initiative to partner with international technical agencies or other sources of expertise.
52. **The challenge of limited skills and capacity to work on value chains within and outside IFAD received little attention.** IFAD's technical capacity was stretched to support a rapidly growing value chain portfolio. Insufficient attention was given to IFAD staff and project managers' capacity development needs, and to the presence of relevant skills and competencies within project implementation teams.
53. **Project design has evolved notably but analytical gaps remain.** Few designs were supported by market intelligence to guide the choice of both the commodities and the steps within the value chain that had to be prioritized if pro-poor outcomes were to be achieved. Few projects focused on market information systems and those that tried to establish them did not effectively address implementation challenges. There was little emphasis on information and communications technology that could reduce transaction costs, enhance transparency, and help small-scale producers follow market trends and make decisions accordingly.
54. **Projects typically developed conventional rural finance instruments rather than financial products specifically for value chains that could have leveraged financial resources and had multiplier effects to reach the rural poor.** This led to limited success in effectively supporting poor stakeholders in participating in the value chains.
55. Overall, the evidence gathered suggests that **it is possible to reach out to poor and very poor households and groups through value chain approaches** but that this requires specific attention. A focus on poorer groups was not always maintained, largely due to insufficient attention given to the entry barriers for poorer producers.
56. **Long-term IFAD support and attention to governance issues were associated with**

stronger performance. Most of the value chains were classified as being at the "intermediate in terms of development stage" and as "medium" in terms of pro-poor performance outcomes. The combination of advanced value chains and high pro-poor outcomes occurred where IFAD had prior intervention experience and when projects had enabled multi-stakeholder platforms and interprofessional associations.

Recommendations

Recommendation 1

57. **Prepare a corporate strategy for IFAD's support to value chain development.** The strategy should be harmonized with other relevant operational policies of IFAD, lay out a conceptual framework for pro-poor value chain development and clarify IFAD's overall objectives, principles of engagement and the resources required.

Recommendation 2

58. **Adopt a programmatic approach to value chain development.** Value chain development requires long-term engagement and multiple-phase support. Project designs should systematically assess the degree of preparedness for value chain support, taking into account the local context and previous experience of the government, IFAD and other partners. Based on this, project designs should focus priorities and approaches for value chain strengthening.

Recommendation 3

59. **Promote outreach to poor and very poor groups and gender equality.** Project designs should lay out a theory of change explaining how benefits will reach very poor groups (including through wage employment generation), and identify the major barriers and how to overcome them.
60. Project designs need gender analysis for the proposed value chains, specifying the strategies and measures for promoting gender equality and affirmative action to enable women to take on new roles.

Recommendation 4

61. **Promote inclusive value chain governance and an inclusive policy and regulatory environment** by establishing or strengthening multi-stakeholder platforms and interprofessional associations that provide small-scale producers and other value chain stakeholders with: (i) information on prices and markets; (ii) a venue for dispute resolution; and (iii) a voice in discussing the policy and regulatory system.

Recommendation 5

62. **Strengthen partnerships to enhance market intelligence throughout the project cycle.** IFAD should collaborate systematically with organizations that have strong value chain expertise to ensure that projects are based on thorough analysis of commodity market structure, demand and supply, price level and volatility, and barriers facing small-scale producers.

Recommendation 6

63. **Sharpen approaches to value chain financing.** IFAD needs to collaborate with organizations and impact investors with a proven record in this area. A specific action plan on value chain financing could be based on a review of experiences in both borrowing and non-borrowing Member States.

Recommendation 7

64. **Develop the capacity of project management teams and IFAD staff** through: (i) capacity-building partnerships with specialized international agencies and service providers; (ii) institutionalized peer-mentoring between project management teams; (iii) a web-based knowledge platform to exchange information and establish a reference pool of expertise; and (iv) adjusting the requirements for project management teams, as well as for certain IFAD operational or technical staff.



TUNISIA

Farmers process vegetables as part of an agricultural development group in El-Ferech Valley.

©IFAD/Susan Beccio

IFAD Management's response¹

1. Management welcomes the comprehensive, well-researched and well-written report on value chain development, which is central to IFAD's operations. Management is pleased to see that the results and outcomes from IFAD's work in the area of value chain development are mostly satisfactory, confirmed also by the largely positive e-survey findings. The findings are also reassuring in terms of IFAD's technical support to value chain development and the usefulness of the technical toolkits and guidance documents developed on this theme. Management believes that the learning generated from this important evaluation will help to further strengthen IFAD's substantial work in this area.
 2. While, overall, the analysis in the evaluation was robust and followed careful diagnostics, Management would like to highlight the fact that there is an inherent complexity in categorizing and aggregating projects that vary in the intensity of applying a value chain development approach. Similarly, the conclusions and findings may depend largely on the changing market dynamics and the specific country and project context. Moreover, many of the issues raised by the CLE are common to other development organizations working in the area of value chain development. For example, the tension between reaching out to the poorest groups, while ensuring the marketability and feasibility of the intervention is a common challenge for all stakeholders involved in value chain development projects.
- ## Recommendations
3. Management takes note of the seven recommendations and, overall, is in partial or full agreement with most recommendations, with the exception of the first. Many of the recommendations are being taken into account
 4. **Recommendation 1.** Prepare a corporate strategy for IFAD's support to value chain development. The strategy should harmonize with other relevant operational policies of IFAD, lay out a conceptual framework for pro-poor value chain development and clarify IFAD's overall objectives and principles of engagement as well as the resources required.
 5. **Disagree.** Management believes that this recommendation is not entirely supported by the findings and conclusions of the CLE, and especially not by the positive results from the e-survey. The conclusions and findings of the report do not seem to present a substantial justification for the preparation of such a strategy, nor indicate a gap that this specific proposed strategy would fill. However, some of the gaps identified by this CLE are addressed by other interlinked ongoing activities. These activities include the preparation of a private-sector engagement strategy, a partnership framework, updating the targeting guidelines and an ICT for development strategy (which will be submitted to the Executive Board in 2019). For example, Recommendation 6 is partially addressed through the revised Private Sector Engagement Strategy and the Agri-Business Capital Fund). Value chain development is a cross-cutting technical theme that needs technical and operational guidance as per the toolkit that IFAD has already prepared. IFAD needs to continue the dissemination of these documents and technically support operational staff in the field, which is currently being done through the out-posting of staff from the Sustainable Production, Markets and Institutions Division of IFAD (PMI) with relevant expertise in the regional hubs. It is also important to note that no other international financial institution or multilateral development

¹ The Operational Policy and Results Division sent the final Management response to the Independent Office of Evaluation of IFAD on 25 April 2019.

- bank has developed a value chain development strategy, but only guidance or lessons learned/evaluation documents, similar to the IFAD toolkit and the CLE evaluation report. Moreover, a conceptual framework for pro-poor value chain development will be largely constrained as it would have to take into account each country context, commodity specificities, and changing market dynamics. Management is of the view that, in the light of the conclusions and analysis of the report, resources would be best used in improving implementation of existing strategies/policies at the operational level and with the IFAD country offices rather than in preparing new corporate strategies.
6. **Recommendation 2. Adopt a programmatic approach to value chain development.** Value chain development requires long-term engagement and multiple-phase support. Project designs should systematically assess the degree of preparedness for value chain support, taking into account the local context and previous experience of the government, IFAD and other partners. Based on this, project designs should focus priorities and approaches for value chain strengthening.
 7. **Partially agree.** Management agrees that the approach to value chain development is context-specific and believes this would require differentiated support at the country and regional level. While overall Management is adopting a programmatic approach at the country level in line with the transition framework approved by the Executive Board, Management believes that this may not necessarily be the case for specific value chain development interventions. In certain countries, the value chain development approach has become a familiar topic in project implementation and the capacity already exists to do more in this area. Therefore, a multiple-phased approach may not be needed in these contexts. In other countries, where capacity is still weak and the value chain development approach is still not very well understood or there are many constraints in implementation, a phased approach may be more appropriate, but will again need to be context-specific. With IFAD's striving to diversify its instruments to contribute more effectively to SDGs 1 and 2, it would seem more relevant to focus, for example, on tailored packages of policy-based or results-based lending, loans and/or grants to governments and NGOs, and direct support to value chain actors through new financial products targeting the private sector, rather than on traditional multiphased approaches that take a long time to come to fruition.
 8. **Recommendation 3. Promote outreach to poor and very poor groups and gender equality.** Project designs should lay out a theory of change explaining how benefits will reach very poor groups (including through wage employment generation), and identify the major barriers and how to overcome them.
 9. Project designs need gender analysis for the proposed value chains, specifying the strategies and measures for promoting gender equality, and affirmative action to enable women to take on new roles.
 10. **Agree.** A theory of change is now a requirement for all IFAD-funded projects. Management also agrees that it is important that projects describe how specific activities and value chain development interventions will reach each category of poor groups, including women and youth. However, it should be noted that there may be tension between reaching the poorest groups and having a feasible and sustainable value chain development intervention, which depends on reaching a certain level of market standards and good access to infrastructure. In fact, a value chain development intervention is not always the most appropriate or relevant intervention for reaching the poorest groups. In such cases, project design teams should be able to do the analysis and focus accordingly on other activities to reach the poorest (community development, capacity-building and training, nutrition and livelihood improvements, etc.). At the same time, IFAD's quality review mechanisms (such as the Operational Strategy and Policy Guidance Committee, Design Review Meeting and Quality Assurance Group) also play a role in reviewing project designs and making sure that targeting aspects are appropriately covered in all projects.
 11. **Recommendation 4. Promote inclusive value chain governance and an inclusive policy and regulatory environment,** by establishing or strengthening multi-stakeholder platforms and interprofessional associations that provide small-scale producers and other value chain stakeholders with: (i) information on prices and markets; (ii) a venue for dispute resolution; and (iii) a voice in discussing the policy and regulatory system.
 12. **Agree.** Management fully supports this recommendation as it has also observed that multi-stakeholder platforms have played a major role in promoting inclusive value chains and are a great venue for brokering partnerships with the private sector and other value chain stakeholders.

Almost all new IFAD-funded projects with a substantial value chain development component support the establishment or strengthening of multi-stakeholder platforms where appropriate. Project design teams and IFAD's quality review process will ensure that this continues to be the case for future value chain development projects.

13. **Recommendation 5. Strengthen partnerships to enhance market intelligence throughout the project cycle.**

IFAD should collaborate systematically with organizations that have strong value chain expertise to ensure that projects are based on thorough analysis of commodity market structure, demand and supply, price level and volatility, and barriers facing small producers.

14. **Agree.** Management agrees with this recommendation. However, there could be certain limitations to this in practice as: (i) expert value chain development organizations and partners are not available in all countries where IFAD works, and one may need to call on international experts to transfer the expertise to these countries; and (ii) partnering with expert organizations often means hiring them as service providers or as grant recipients, and resources are not always available to implement these partnerships. Therefore, while Management agrees with strengthening these partnerships, it is important to note that there would be resource constraints.

15. **Recommendation 6. Sharpen approaches to value chain financing.** IFAD needs to collaborate with organizations and impact investors with proven record in this area. A specific action plan on value chain financing could be based on a review of experiences in both borrowing and non-borrowing member countries.

16. **Partially agree.** One major reason why real value chain finance instruments have been limited is because these instruments are mostly in the realm of the private sector, and governments are reluctant to use project resources to finance value chain actors, while IFAD has so far not been able to finance the private sector directly. This is the reason why the Agri-Business Capital Fund was created to fill this "missing middle" financial gap. IFAD's Private Sector Engagement Strategy envisages more collaboration with impact investors, financial intermediaries and other development partners that can support value chain financing. This collaboration will be based on a review of the supply and demand for value chain financing in the markets where the collaboration will take place. A specific action

plan for value chain financing across various countries would be too general a document and would be easily become outdated as market trends and financial dynamics change very quickly. This analysis is much better placed at the country level, where it is done on a time-specific basis in the context of specific projects and initiatives.

17. **Recommendation 7. Develop the capacity of project management teams and of IFAD staff**

through: (i) capacity-building partnerships with specialized international agencies and service providers, including training programmes for project managers and IFAD staff; (ii) institutionalized peer-mentoring between project management teams; (iii) a web-based knowledge platform to exchange information and establish a reference pool of expertise; and (iv) adjusting the requirements for the recruitment of project management teams, as well as for certain IFAD operational or technical staff.

18. **Agree.** Management agrees with the finding that capacity-building (including through training, peer-mentoring, online learning platforms, etc.) of IFAD and project management teams is very useful and should be pursued bearing in mind resource constraints. For IFAD staff, the Operations Academy could be expanded to include a module on value chain development, which would be more cost-effective. It is equally or even more important that project implementation units include staff with prior value chain and private-sector expertise. Country teams and government counterparts are being made aware during project design and implementation on the need for this in order to have successful value chain development projects.



MOROCCO

Vegetables and fruit-like tomatoes, potatoes, bananas and onions are sold in the market of Fes, Medina.

©IFAD/Giulio Napolitano

1. Background

A. Introduction

1. In December 2017, the Executive Board of IFAD approved the conducting of a corporate-level evaluation (CLE) on IFAD's engagement in pro-poor value chain development by the Independent Office of Evaluation of IFAD (IOE). The evaluation was undertaken within the overall framework of the revised Evaluation Policy (2011) and followed the broad methodological fundamentals set out in the second edition of the 2015 IFAD Evaluation Manual.
2. The overarching aims of the CLE were to:
(i) assess IFAD's performance in supporting pro-poor value chain development; (ii) assess to what extent the latter contributed to achieving IFAD's mandate of rural poverty reduction, and inclusive and sustainable rural development; and (iii) to identify alternatives and options for improvement, and to provide recommendations to enhance IFAD's approach to value chain development as a means to further rural development and poverty reduction.
3. **Why the value chain topic.** In the past century, traditional food systems characterized by localized and small-scale production, processing and trade, and involving spot transactions between buyers and sellers, have been increasingly replaced by larger-scale processing, wholesale and logistics operations serving retailers, food service operators chains and large markets through coordinated value chains. The scale and scope of this transformation accelerated in the 1980s and 1990s as a result of wider processes of globalization, privatization and liberalization, which prompted massive domestic and foreign direct investment in food processing and retail in developing regions.¹
4. While the vast majority of food produced is still consumed domestically and involves

traditional markets and small and medium-sized enterprises (SMEs), the market share of large agribusinesses and retail chains is growing rapidly in most parts of the developing world. At the same time, international analyses indicate that small-scale producers (including farmers but also small processors and microentrepreneurs) are responsible for a high percentage of food production worldwide but receive a disproportionately low share of its market value.²

5. Governments, development agencies and donors have responded to these trends through a range of approaches in order to support inclusive³ and socially and environmentally responsible value chains.⁴ At the same time, large firms have adopted sustainability policies, strategies and targets, often in response to pressure from civil society and investors, but also as a way to ensure future supply in a context of a rapidly changing climate and ageing farmer population.
6. The 2030 Agenda for Sustainable Development has added impetus to these efforts. While Sustainable Development Goal (SDG) 1 (end poverty in all its forms and everywhere) and SDG 2 (zero hunger) provide broader coverage, others are more specific, such as SDG 8 (decent work and economic growth), SDG 12 (responsible production and consumption) and SDG 17 (partnerships for the Goals), with a host of new multi-stakeholder initiatives being set up to promote public-private

² In 2013, it was estimated that smallholder farmers produced up to 80 per cent of food in Asia and sub-Saharan Africa. From: Pedro Arias, David Hallam, Ekaterina Krivonos and Jamie Morrison, *Smallholder Integration in Changing Food Markets* (Rome: FAO, 2013).

³ Typically meaning inclusive of small-scale and poorer producers, but also relating to the inclusion of women, youth, minority groups and indigenous peoples.

⁴ These include: support for small-scale farmers and microentrepreneurs to overcome resource constraints and to meet market demands; collaboration with the private sector to develop value chains where poorer farmers, microentrepreneurs and workers can participate; initiatives aimed at promoting workers' rights and living wages; and multi-stakeholder platforms and sustainability standards initiatives to stimulate joint problem-solving among value chain actors in particular subsectors.

¹ Thomas Reardon and C. Peter Timmer, "The Economics of the Food System Revolution," *Annual Review of Resource Economics* 4, no. 1 (September 2012): 225-125.

- collaboration.⁵ The focus of the 2030 Agenda and the SDGs on “no one left behind” raises the issue of inclusiveness, i.e. the ability of poor producers and other marginalized groups to participate in value chains, and the possibility to share benefits of value addition across all the stakeholders, without increasing inequality.⁶
7. In the light of this trend, IFAD’s interest and commitment to developing or improving pro-poor value chains have grown significantly since the mid-2000s. While projects promoting value chain development existed earlier, the IFAD Strategic Framework for 2007-2010 was one of the first corporate documents to raise attention on the topic.
 8. In the mid-2000s, working on agricultural value chain development was relatively new for the Fund. At that time, independent evaluations found that IFAD-supported projects had mostly focused on raising production and productivity while dedicating insufficient attention to the post-harvest or post-production phases, which compromised the profitability of many economic activities and enterprises and hence threatened the sustainability of benefits (see, for example, the Annual Report on Results and Impact of IFAD Operations [ARRI] 2009).
 9. Given IFAD’s mandate of rural poverty reduction, the following assumptions on value chain development have been formulated, explicitly or implicitly, throughout IFAD’s strategic frameworks, country strategies and project designs: (i) by promoting enhanced participation in value chains, small-scale producers may be able to capture a higher degree of the value added; and (ii) as value chain development involves private capital investments, agricultural and rural development can become less dependent on public and donor funding, thus enhancing the sustainability prospects of development interventions and creating opportunities for scaling up by catalysing private investments.
 10. At the same time, members of IFAD’s governing bodies, as well as managers and staff, have questioned to what extent and under what conditions value chain approaches are suitable for the poor and very poor producers that constitute IFAD’s traditional target groups. Individual evaluations and, most recently, the 2018 ARRI have raised similar issues.
 11. In the light of the above, and considering that IFAD has now over a decade of experience in designing and supporting the implementation of this type of project, an evaluation of IFAD’s work on value chain development appeared timely. This CLE reviews to what extent the focus on value chains has contributed to furthering IFAD’s mandate by enhancing economic impact and sustainability of benefits. It also assesses to what extent, and under what conditions, a focus on value chain development has been consistent with support to very poor areas and groups. Moreover, it ascertains to what extent corporate processes and resources have been adapted to take into account the required changes when moving from an almost exclusive focus on production and productivity to the broader post-production phases.
 12. The report is organized as follows. The next section of this chapter provides an operational definition of a value chain, a brief overview of findings from assessments conducted by other organizations on the same topics, a conceptual framework on value chains, and a description of the methodology followed. Chapter 2 provides descriptive data on loans and grants of relevance to the evaluation topic, and reviews IFAD corporate strategies and processes of importance to value chains. Chapter 3 analyses design features of projects supporting value chains. Chapter 4 is dedicated to operational performance and results, while chapter 5 analyses outreach, impacts and sustainability. Chapter 6 provides the main conclusions and recommendations.

5 See, for example, Raphael Kaplinsky, *Inclusive and Sustainable Growth: The SDG value chains nexus* (International Centre for Trade and Sustainable Development, 2016).

6 A recent publication by the International Food Policy Research Institute notes that the relation of value chain development to poverty reduction is still the subject of much controversy. Both advocates and sceptics typically tend to base their arguments on limited evidence. Dietmar Stoian, Jason Donovan, John Fisk and Michelle F. Muldoon, “Value Chain Development for Rural Poverty Reduction: A reality check and a warning”, in André Devaux, Maximo Torero, Jason Donovan and Douglas E. Horton, eds., *Innovation for Inclusive Value-Chain Development: Successes and challenges*, pp. 75-92 (Washington, DC: IFPRI, 2016).

B. Towards a definition of a value chain

13. There are several definitions of a value chain, and organizations tend to develop their own around the generally accepted concept that a value chain encompasses “the full range of value-adding activities required to bring a product or service through the different phases of production, including procurement of raw materials and other inputs, assembly, physical transformation, acquisition of required services such as transport or cooling, and ultimately response to consumer demand.”⁷
14. Although IFAD has no corporate definition of a pro-poor value chain, the concept was outlined first in its 2011-2015 Strategic Framework and further articulated in the *Commodity Value Chain Development – Teaser* (IFAD, 2014) as follows: “a vertical alliance of enterprises collaborating to varying degrees along the range of activities required to bring a product from the initial input supply stage, through the various phases of production, to its final market destination.”⁸
15. Moreover, an earlier internal 2010 paper had stated that: “A pro-poor value-chain intervention develops approaches to include the poor in the chains with a view to increasing their incomes, primarily through improvement in farm gate prices and addressing constraints in a coordinated manner. As IFAD’s target groups usually have the least power of all the actors in any value chain, the challenge is to design and implement interventions that can empower them and improve their position in a sustainable manner.”⁹
16. Drawing from the above, the CLE adopted two complementary operational definitions:
 - A value chain is defined as a set of stakeholders and enterprises¹⁰ collaborating to varying degrees along the range of activities required to bring a product from the initial input supply stage, through the

various phases of production, to its final market destination.

- A pro-poor value chain development intervention is an initiative that promotes inclusiveness and empowerment of poor people in the chain(s), with a view to improving their livelihoods in a sustainable manner, by taking advantage of opportunities and addressing constraints in a coordinated manner.

17. A more detailed conceptualization of what a value chain system implies is provided later in this chapter.

C. Review of the experience of other organizations

18. **Cross-cutting lessons and recommendations from other organizations relevant to IFAD-supported value chain projects.** A few comprehensive evaluations of the work of international development organizations in support of value chain approaches have been conducted to date. While the mandate and business model of these organizations may differ from IFAD’s, their experiences provide relevant insights. This section discusses prominent cross-cutting lessons and recommendations of selected multilateral partner organizations.¹¹
19. Overall, the evaluations found that the promotion of value chains can contribute to poverty reduction through gains in productivity, quality enhancement and marketing. However, while the evaluated projects were generally effective in increasing production or enabling physical access to markets, they were less so in increasing transformation and value addition. The evaluations shared key lessons on: design and analysis, targeting and gender, data collection, partnership among value chain stakeholders, sustainability and enabling environment.
20. **Design and analysis.** The evaluations agreed that interventions tended to be more relevant and effective where supported by a sound value chain analysis. The German Institute for Development Evaluation (DEval) warned in its 2016 evaluation titled *Agricultural Value Chains* against promoting an excessive number of value chains with a single

⁷ Raphael Kaplinsky and Mike Morris, *A Handbook for Value Chain Research* (Brighton: Institute of Development Studies, 2002).

⁸ These definitions are similar to those provided elsewhere, for example in Kaplinsky and Morris 2002, op. cit. The term “value chain” is credited to the business strategist Michael Porter (*Competitive Advantage: Creating and sustaining superior performance*) and has been widely adopted in business and development circles.

⁹ IFAD, *Pro-poor Rural Value-Chain Development* (thematic study, 2010).

¹⁰ The term “enterprise” is here understood in the generic economic notion of a production unit, irrespective of the type of economic activity, and belonging to the formal/informal economy (a farm can be considered an enterprise).

¹¹ Danish International Development Agency (DANIDA), German Institute for Development Evaluation (DEval), Independent Development Evaluation of the African Development Bank (IDEV), and Independent Evaluation Department of the Asian Development Bank (IED).

intervention. The number of chains should be adjusted to the capacities of both the partners and the projects. When selecting the chains, the broad-scale impacts, the related risks, and the contribution to food security and profit should be weighed against each other.

21. The 2012 independent evaluation knowledge study of the Asian Development Bank's support for agriculture value chain development found that the project designs evaluated had been primarily production-driven (Asian Development Bank, 2012). In its 2018 cluster evaluation report *Strengthening Agricultural Value Chains to Feed Africa*, the Independent Development Evaluation of the African Development Bank (IDEV) added that interventions that heavily focus on increases in production volumes without sufficiently analysing the efficiency of the production system, and the value chain as a whole, may generate financial losses (IDEV, 2018). It recommended conducting analysis of the marketing stages of value chains, such as distribution mechanisms and market information, pricing, packaging, quality and consumer feedback mechanisms.
22. **Targeting and gender.** An evaluation commissioned by the Danish International Development Agency (DANIDA) emphasized the need for capacity assessments in the country case study in Serbia (DANIDA, 2016). Large increases in production levels in a short time frame could strain the capacity of producers, storage operators and processors. Not all target groups were able to deal with this.
23. DEval (2016) pointed to the importance of differentiated target-group analysis in order to arrive at a realistic assessment of the target group structure and the actors that can or cannot be reached. According to its findings, due to the lack of sound gender analysis, the inclusion of women was often not tailored to the cultural or economic realities. The IDEV's cluster evaluation report (2018) found that quotas for target groups were common but usually not followed by adequate strategies for inclusion. Women and vulnerable group were often still "invisible" and their benefits not assured. Deliberate and targeted efforts at all stages of design and implementation were essential and helped achieve positive results.
24. **Data.** The lack of value-chain-specific data and the difficulty in tracing the impacts achieved was highlighted as an impediment in a number of evaluation reports. To strengthen institutional learning and to improve results-orientation, DEval (2016) pointed to the need to establish both a value-chain-specific reporting system and a value-chain-adapted monitoring and evaluation system. Value chain promotion was one element of a larger programme, but reporting and monitoring were done only at the overall project level and not specifically for value chain activities. DANIDA also recommended introducing value-chain-specific reporting (DANIDA, 2010).
25. **Partnerships among value chain stakeholders.** According to the findings of the Independent Evaluation Department of the Asian Development Bank (IED), effective partnerships and linkages were key elements for effective value chain development (IED, 2012). From its case studies, most projects successfully supported the formation and development of farmer organizations for establishing or strengthening networks and improving connections between markets and participants. However, this was often limited to the linking of producer organizations to processors. Support to other key aspects of value chain development, such as direct marketing, quality standards and value chain finance, was addressed less frequently.
26. According to DANIDA's findings (2010), the strength of business relations and the degree of cohesion among actors depended to a large extent on the clarity of the roles, particularly between the government, the private sector and extension services. It was found that more than one project cycle was required to build trust and drive changes in the relationships between farmers, market players and institutional actors, including creating more balanced bargaining power. The IED (2012) recognized the lack of clarity over the respective roles of the government and the private sector as a key constraint to increasing private sector participation.
27. **Enabling environment.** The IED (2012) saw the improvement of the enabling environment, through policies, regulations and supporting institutions, as a prerequisite for value chain development. For this, it advocated an integrated policy approach rather than fragmented policy interventions.
28. All the evaluations highlighted the fact that access to finance was crucial for value chain producers and processors. According to DANIDA, access to finance remained a critical issue for the agribusinesses and smallholder farmers that often did not have access to established financial systems (DANIDA, 2016). It also underlined that many farmers within the supported groups and cooperatives lacked managerial skills, an

entrepreneurial attitude and access to timely market information.

29. **In sum**, the evaluations and reviews conducted by other organizations highlighted the importance of realistic design (commensurate with the implementation capacity on the ground) and differentiated targeting. Some of these evaluations found that approaches to link producers to value chains were quite basic and that little had been done to improve the inclusiveness of value chain governance. The enabling environment and value chain financing were not addressed consistently.

D. A conceptual framework for value chain systems

30. The literature on value chains and value chain development is vast. Among the many contributions, some are particularly relevant to IFAD's mandate, such as, the methodological work by the Department for International Development (DFID) *Making Markets Work for the Poor*, the work of the Food and Agriculture Organization of the United Nations (FAO) on sustainable value chains, and the Global Food Security Strategy of the United States Agency for International Development (USAID) as well as methodological guidance from the German Corporation for International Cooperation (GIZ) on sustainable value chain development.¹² In spite of differences, they all tend to approach value chains through a systems analysis, articulating the relationships between different stakeholders around a product, its markets and the stakeholders, from the raw material to the final consumers. The boundary of the system can be set horizontally (i.e. products and subproducts considered) or vertically (for example, for an export product, the boundary can be set at the national border rather than at the level of the final consumers abroad).
31. A value chain system can be broken down into a layered set of constituent parts (figure 1). The first layer is the core value chain (sometimes called

supply chain), comprising a series of functions (six for simplicity in this scheme, but fewer or more depending on the commodity and market), from production to aggregation, storage and handling, processing and distribution, and the end-consumers.

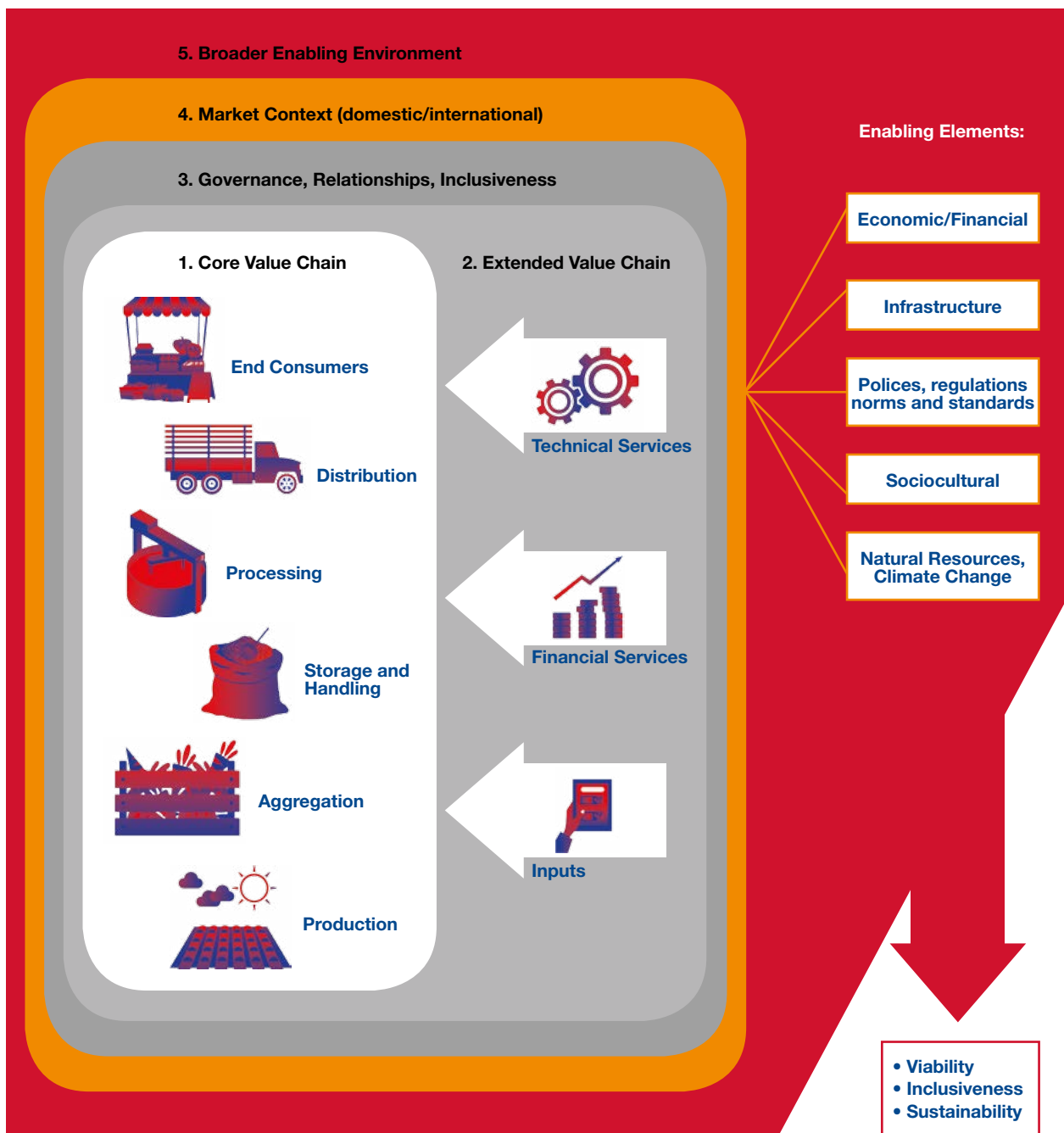
32. Central to the notion of a value chain is not just the sequencing of functions but also the generation of **added value** for all the stakeholders: (i) wages and salaries; (ii) net profits for enterprises at all levels (e.g. farms; producer organizations; micro, small, medium-sized and large processing units; transport providers; and retailers); (iii) tax revenues for governmental entities; (iv) surplus for end-consumers;¹³ and (v) net positive externalities on the broader environment (i.e. positive externalities, such as spill-over effects to other industries, or negative ones, such as depletion of natural resources or air pollution).
33. The above implies that the rural poor can benefit from value chain participation through different pathways, as they can be producers, workers, microentrepreneurs, or engaged in processing, or consumers. They may take on multiple roles in a value chain, such as cultivating produce on their own farm, engaging in microprocessing and working as seasonal labour on larger farms. Moreover, value chains are diverse, and opportunities for poor people to engage vary widely. They may face different "barriers to entry," depending for example on the nature of a product and its production, sectoral regulations, level and volatility of prices, and other characteristics. Barriers to entry may also depend on the welfare and living conditions of the poor (e.g. access to basic services, and roads) affecting land and labour productivity and competitiveness.
34. **Extended value chain.** Close to the core value chain are a number of **providers** that form a broader value chain aggregate (level 2 in figure 1) and may or may not be members of the core chain: (i) providers of inputs, such as seeds or fertilizers; (ii) providers of financial services (such as loans, insurance and money transfer services); and (iii) providers of non-financial services, such as technical support for equipment installation and maintenance, agricultural extension, market information and advisory services. For rural poor producers, processors and microentrepreneurs, access to these inputs and services can be crucial.

12 MAP, *Making Value Chains Work Better for the Poor. A toolkit for practitioners of value chain analysis*, Making Markets Work for the Poor Project, UK Department for International Development (Phnom Penh: Agricultural Development International, 2008); FAO, *Developing Sustainable Value Food Value Chains – Guiding principles* (Rome: FAO, 2014); USAID, *A Framework for Inclusive Market System Development* (2014), https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/Market_Systems_Framework.pdf; Andreas Springer-Heinze, *ValueLinks 2.0. Manual on sustainable value chain development*, 2 volumes. (Eschborn: GIZ, 2018). Another interesting reading containing synthesis of experience of the Agence française de développement is: Estelle Biénabe, Alain Rival and Denis Loeillet, eds., *Développement durable et filières tropicales* (Paris: CIRAD-AFD, 2016).

13 Consumer surplus is an economic concept and consists of the difference between what the consumer would be willing to pay for a given quantity of a product and the actual monetary outlay necessary to purchase the same.

FIGURE 1

A conceptual scheme of value chain system



Source: CLE adaptation from FAO (2014), with inputs from GIZ (2018) and USAID (2014).

35. A value chain has a **governance** system (level 3 in figure 1), which refers to how business linkages are structured along the chain and to the relationships among the stakeholders, including buyers, sellers, service providers and regulatory institutions. Value chain governance has been categorized in the literature in a range from: (i) only short-term, transactional relationships between buyers and sellers; through to (ii) “relational” governance, which is a network-

style governance, often based on mutual reliance, reputation, and social and spatial proximity; and on to (iii) “hierarchical” governance, where one firm performs all or most functions in the value chain.¹⁴ This categorization is mostly relevant for

¹⁴ Gary Gereffi, John Humphreys and Timothy Sturgeon, “The Governance of Global Value Chains,” *Review of International Political Economy* 12, no. 1 (2005): 78-104.

buyer-driven value chains in which lead firms exert a high degree of control over the chain. In local and national markets, other forms of governance may be more influential, including the formal legal framework, the regulatory bodies and informal networks that derive from the social and cultural context of the value chain.¹⁵

36. Governance is important for the inclusion of the poor, given that one of their most frequent problems is their weak power and “voice” in the chain. Strengthening their representation and bargaining power can be a decisive factor in improving the economic and non-economic benefits they receive, such as through building the capacity of small producers to negotiate the terms of trade with buyers, or enabling workers in processing plants to negotiate wages through trade unions. Moreover, poor producers typically lack knowledge and information on prices and other market conditions, which leads to many forms of unfair treatment.
37. A value chain is also part of a **market** (level 4), which is characterized by the interaction of supply and demand (local, national or international), by a set of regulations, and by the level of competition between stakeholders or varying degree of monopolistic and monopsonistic power.
38. The **enabling environment** (level 5) determines to what extent a value chain favours the three flows (commodity, money and information) in a viable manner in the short term, is sustainable in the long run and generates equitable outcomes for its stakeholders. For simplicity, the following key elements of an enabling environment can be highlighted:
 - The economic element relates to the profitability of enterprises along the chain, the capacity of public agencies to finance the provision of certain services (such as extension services and the enforcement of phytosanitary standards), the level of competition between actors, and the growth trends.
 - The financial element refers to the ease with which the money flows from one end to the other of the value chain.
 - The infrastructural element refers to the availability and cost of logistics for the

transportation and distribution of the commodity from its early stage to the consumers (via roads, railways, airports and navigable canals), and to power generation and water availability – key elements for food processing.

- The normative and policy environment refers to public and private norms and regulations that define rights and obligations and the agencies and practices that enforce them, such as fiscal and monetary policy, sectoral policies, tax regimes, and labour regulations. These also affect the poor’s participation and the way they benefit. There are also risks of exclusion due to the need to meet standards related to food safety, control of plant diseases, environmental sustainability, and respect for human rights and decent work.¹⁶
 - The environmental element refers to matters such as the quality of air, water, soil fertility and nutrients, preservation of vegetative and forest cover and of wild species, and biodiversity, as well as climate change and capacity to adapt.
 - The social element comprises consumer preferences, traditional and ethnic practices regarding production and consumption, and gender relationships, in addition to: attitudes and distribution of resources and prerogatives between different strata and groups; trust and partnership among different categories of stakeholders; and perceived fairness of contractual arrangements for all direct stakeholders.
39. Key conditions for economic sustainability of a value chain (e.g. GIZ, 2018; FAO, 2014) require that the added value generated by the value chain not be lower than the prior situation for all value chain stakeholders (producers, workers, tax revenues for governments, and value for money for consumers) and that all actors be fairly remunerated. Natural environment sustainability requires that value chains do not cause the permanent depletion of resources. Social sustainability is connected to

¹⁶ While standards have been associated with a range of positive economic, social and environmental effects, compliance can be challenging for poorer producers, and can lead to segmentation of the labour force with a cadre of core skilled workers given permanent employment and full labour rights, while the remaining tasks are outsourced to informal enterprises and casual labour. See Raphael Kaplinsky and Mike Morris, *How Regulation and Standards Can Support Social and Environmental Dynamics in Global Value Chains* (Geneva: International Centre for Trade and Sustainable Development, 2017).

¹⁵ Drawing on Springer-Heinze, op. cit., see note 12.

issues such as: (i) satisfaction of specific needs by ethnic groups and by gender; (ii) the livelihood level of smaller producers and the change in their level of economic or other benefits (e.g. quality of nutrition); and (iii) remuneration and working conditions for workers. Social sustainability is not just a “desirable outcome” from a welfare perspective but also a condition for a value chain to function in the long run. Connected to social sustainability is also inclusiveness, which relates to the degree of stakeholder participation in decision-making and the redistribution of value added either through market and contractual mechanisms, through taxation or through the use of private profits for social purposes (e.g. education, health services, and care for older people and the disabled).

40. This brief discussion has highlighted the number and interrelatedness of factors that help shape not only the viability and sustainability of a value chain but also the opportunities for inclusion of the poor. Development interventions are intended to address the bottlenecks identified in one of the three flows characterizing a value chain: commodity, money

and information. Awareness of these factors allows assessment of project feasibility and the establishing of priorities for action.

E. A representation of IFAD’s support to pro-poor value chain development

41. A representation of IFAD’s support to value chains is illustrated in figure 2. Reading horizontally, the first sector (1) of the figure represents **IFAD as an organization** supporting pro-poor value chain interventions. A number of resources and instruments need to be in place: (i) policies and strategic directions (corporate and country-level) and operational guidance; (ii) human resources with skills to translate strategy and guidance into action; (iii) financial resources and instruments (e.g. loans and grants); (iv) systems for data collection and analysis to assess progress and results on a regular basis; and (v) feedback tools and processes to learn, introduce changes during implementation, and prepare future operations.
42. Moving to the right, the next sector (2) of the figure represents key elements of **project design**

FIGURE 2

IFAD’s support to value chain development for poverty reduction

1. Corporate resources and instruments	2. Design and implementation quality	3. Project effects	4. Pro-poor outcomes	5. Longer-term results
IFAD	Design:	Establishing the basic conditions for value chain participation	Better value chain governance	Poverty reduction (income, assets, food security)
- Strategy, guidance	- Quality of diagnosis		Poor’s ability to capture more value	Gender equality
- Human resources, skills	- Choice of value chain segment	Strengthening value chain functioning (horizontal and vertical linkages, product, process and functional upgrading, improved governance, risk management)	Improving the poor’s knowledge and information	Opportunity for the youth
- Budget	- Choice of approach		Job creation	Sustainable natural resources management, climate change adaptation
- Monitoring and evaluation, learning, feedback loops	- Financing arrangements		Enhanced risk management	
Instruments:	- Approaches to targeting and gender equality	Fostering the enabling environment		
- Loans	Implementation:			
- Grants	- Review and adaptation of design			
- Technical inputs	- Capacity of stakeholders: (i) producers; (ii) producer organizations; (iii) project implementation units; (iv) service providers			

TABLE 1

Examples of IFAD approaches to value chain upgrading

Approach	Description
Product and process upgrading	Product upgrading is the improvement in quality and/or quantity of production (production techniques, higher-value products). Process upgrading is the improvement in efficiency of the production process, greater access to new technologies, better organization to reduce production costs, and improvements in certification, food safety or traceability.
Functional upgrading	Adding new functions and activities to the target group (e.g. producers and their associations), such as processing, storage, packaging, to capture more value.
Strengthening horizontal linkages	Improving linkages among stakeholders at the same functional level of the value chain (e.g. creation of cooperatives, federations, capacity-building of producer organizations) to improve their bargaining power to buy their inputs and/or to sell their outputs.
Strengthening vertical linkages	Improving linkages among stakeholders at different functional levels of the value chain. This may include, for example, promoting formal/stable types of contracting, access to market information, multi-stakeholder platforms, and improving physical access to markets.

Source: IFAD (2017). Stocktaking of IFAD's Value Chain Portfolio. PTA-RME Desk. (Mimeo).

and implementation quality. Ingredients of design quality include ex ante diagnostics, establishing priorities on which value chain segments to focus on, and with what approaches, how to finance the value chain and how to target the poor and to promote gender equality. Implementation support includes the timely review and modification of design arrangements, and support to capacity development of key stakeholders (e.g. producers and their organizations, project implementation units and service providers).

43. The third sector (3) represents three broad clusters of project effects: (i) establishing the basic conditions for small-scale producers to participate in value chains (e.g. improving production and productivity, community mobilization, and basic services); (ii) upgrading the value chain itself (table 1 presents some approaches outlined in IFAD documents, such as product, process and functional upgrading, strengthening horizontal and vertical linkages); and (iii) creating an enabling environment (infrastructure, policy dialogue, institutional strengthening, environmental sustainability, and social sustainability).
44. The fourth sector (4) provides examples of pro-poor-outcomes such as: (i) better value chain governance (relationships, trust, bargaining power, and transparency); (ii) the poor's ability to capture more value from the chain, for example, either through an increase in farm-gate price of products or by functional upgrade; (iii) improving the poor's knowledge and information (for example, about current prices paid by the end-consumer, and about

the demand for certain commodities and traits); (iv) enhancing risk management (for example, related to price fluctuation or post-harvest loss); and (v) opportunities for employment generation.

45. The fifth sector (5) represents longer-term results, such as poverty reduction effects, using the domains that have high priority in IFAD's mandate (for example, increasing incomes and net assets, food security, nutrition, gender equality and women's empowerment). In addition, long-term effects on the environment and natural resources and climate change adaptation are important factors for both value chain sustainability and for the poor's livelihoods.

F. Methodology

46. **The overarching questions** of this CLE originated from a first round of meetings within IFAD and a preliminary analysis of the issues at stake, and were defined as follows:
- Was the IFAD approach to pro-poor value chain development an effective way to sustainably reduce rural poverty? To what extent, under what conditions, and for whom?
 - To what extent were IFAD's organizational set-up and instruments conducive to design and support effective pro-poor value chains?
47. The **time frame** for this evaluation was set from 2007 until December 2018, so as to be synchronized with the approval of the Strategic Framework of IFAD for 2007-2010, when the

value chain notion emerged more clearly, and to capture the most recent examples of value-chain-relevant project designs.

48. **Criteria.** The CLE adopted the following criteria: relevance, effectiveness, efficiency, impact and sustainability. In addition, based on the analysis, the evaluation proposes two synthetic domains to map projects and value chains: degree of value chain development, and pro-poor outcomes. These are presented in chapter 5.
49. In addition, in consideration of their strategic priority for IFAD and of their relevance to value chain development (as also acknowledged in the Strategic Framework 2016-2025), the following specific thematic areas were analysed: gender equality and women's empowerment, nutrition, youth, natural resources management and climate change adaptation. The CLE acknowledges that some of these have become prominent in IFAD's agenda only recently. The CLE team developed an evaluation matrix (see annex III) that included subquestions for the evaluation criteria, as well as the sources of information. The evaluation matrix and the subquestions guided the development of the various evaluation tools, including the checklists for the interviews (see annex III), the e-survey for IFAD staff and project managers (see annex IV); the classification of value-chain-relevant projects; and the selection of the countries for visits and desk-reviews. The evidence eventually canvassed was again cross-checked against the subquestions at the end of the data-gathering phase.

F.1 Data collection and analysis

50. **Assessment of IFAD value chain strategic documents and knowledge products.** This included: (i) IFAD Strategic Frameworks, Replenishment reports and other strategy and policy documents, with respect to the extent of integration of the commitment to value chain development and the theoretical framework underpinning IFAD's interventions in this domain; (ii) all country strategic opportunities papers/programmes (COSOPs) approved since 2007 in countries where value-chain-relevant projects were approved, to identify references and programmatic commitments to value chain development; and (iii) knowledge products relevant to value chain development.
51. **Analysis of available data and documentation on the value chain portfolio.** Data were extracted from: (i) the operational databases (Grants and Investment Projects System [GRIPS], Flexcube,

and Operational Results Management System) on the financial aspects and key project milestones (e.g. approval, entry into force, first disbursement, original and actual completion, and closure); (ii) IFAD Management self-assessment ratings; (iii) IFAD documentation on project design, supervision, implementation support and completion reports; and (iv) the ARRI database.

52. **Review of IFAD-funded operations supporting value chains.** One of the initial tasks was to classify projects according to their "value chain relevance." IFAD's former Policy and Technical Advisory Division (PTA) had developed a database of projects considered as relevant for value chain development, covering the cohorts of approval from 2012 to 2017. The CLE reviewed this database but conducted its classification independently. At the same time, for the sake of consistency, the CLE decided to adopt the same terminology developed by the Rural Markets and Enterprises desk team in the Sustainable Production, Markets and Institutions Division of IFAD (PMI/RME) with regard to the characteristics of value chains (e.g. horizontal and vertical integration).
53. For practical purposes, the first level of classification was based on project design.¹⁷ A project was considered "value-chain-relevant" where in its design: (i) there was a broad consideration of the input-aggregation-processing-distribution functions and of the partners involved (even if only one or a few functions of the value chain were addressed); and (ii) the market was the main pulling factor in the design. Some projects that adhered to the above concepts without investing directly in value chains were classified as "ancillary" interventions, for example, projects specialized in rural finance that were expected to synergize with projects supporting value chains.
54. The classification followed a traffic light system: (i) green, where there was a clear-cut

¹⁷ The classification followed a two-stage process involving two reviewers (the second was always the same person in order to ensure consistency). In the event of differing views, arbitration was done by the evaluation team. Discussions were held with staff from regional and technical advisory divisions of IFAD to better familiarize with the IFAD portfolio, but the evaluation team took the final decisions on classification. A classification based on design may lead to errors to the extent that the design was not clear, or the same was changed during implementation. When the team completed the review of the selected case studies (77 projects), it reclassified 14 per cent of these. The cases where a project category changed across different levels of value chain relevance (green, yellow or red) were similar in number to those where the change took the opposite direction. In the end, the numbers of projects classified as green, yellow or red changed only slightly.

value chain approach; (ii) yellow, where the project was considered ancillary; and (iii) red, where the project did not include a value chain perspective. The green and ancillary projects were analysed more in depth in order to establish a more detailed profile of their approaches and components (see annex I). In total, about 20 project features were identified based on the evaluation questions and on the CLE team internal discussions, and each project was coded accordingly. These included, for example, the type of target population, governance systems, commodities and value chain development approaches.

55. In addition to loans, the team also obtained a list of grants approved by IFAD in the period 2007-2018. Given the smaller grant size and more limited availability of information on the same, grant-funded activities on value chains were discussed with IFAD staff, and a number of grants were reviewed in association with country desk studies or field visits, but not at the same level of detail as for loans.
56. During the preparatory phase, it clearly emerged that IFAD's approach to value chain development had progressed over time, evolving from one project into the next. In addition, it was evident that the country context, including national policies and COSOPs, had contributed to shaping the approach to value chain development. Accordingly, the CLE decided to choose countries as its unit of analysis, by taking into account, in addition to the number and design profile of value-chain-relevant projects, characteristics such as country income status (upper-middle-, lower-middle- and low-income countries), situations of fragility and other factors (e.g. policies, trade agreements, and agroecological areas) relevant to value chain development. Although no strict condition was set on regional balance, some consideration was given to regions and subregions, so as to capture geographical and political factors that could have a bearing on value chain development. Throughout the process, information was validated through interviews with IFAD staff.
57. Based on the resources available, the modality of the analysis of the selected countries and projects was decided. This also took into consideration the availability of previous information, including evaluations, impact assessments conducted by IFAD's Research and

Impact Assessment Division (RIA)¹⁸ or other data-gathering exercises. Three modalities were implemented: (i) country visit by the CLE team; (ii) country desk-review by the CLE team; and (iii) drawing information from recent or ongoing IOE evaluations.

58. Eventually, this resulted in a review of 29 countries and 77 projects within these countries. The regional distribution of countries was: Asia and Pacific Division of IFAD (APR) 24 per cent, East and Southern Africa Division of IFAD (ESA) 14 per cent, Latin America and the Caribbean Division of IFAD (LAC) 17 per cent, Near East, North Africa and Europe Division of IFAD (NEN) 21 per cent, and West and Central Africa Division of IFAD (WCA) 24 per cent. The review included:
- 11 CLE country visits: Bosnia and Herzegovina, El Salvador, Honduras, Mauritania, Morocco, Nepal, Niger, Republic of Moldova, Rwanda, Senegal and Viet Nam;
 - 12 desk-reviews (supported by interviews with IFAD and project staff): Bangladesh, Brazil, Cambodia, Cameroon, China, Ghana, Indonesia, Mozambique, Nicaragua, Sao Tome and Principe, Sudan and Uganda;
 - 6 countries through ongoing or recent IOE evaluations: Burkina Faso (country strategy and programme evaluation [CSPE]), Georgia (CSPE, impact evaluation), Guyana (project performance evaluation), Kenya (CSPE, impact evaluation), Sri Lanka and Tunisia (CSPE).
59. **Information from other evaluations.** In addition, past evaluations (e.g. the 2016 Evaluation Synthesis on Smallholder Access to Markets, the 2018 Evaluation Synthesis on Partnerships and the Evaluation Synthesis on IFAD's Support to Livelihoods Involving Aquatic Resources, and the 2011 CLE on the IFAD's Private-Sector Development and Partnership Strategy) and ongoing ones (e.g. the Evaluation Synthesis on Inclusive Financial Services for the Rural Poor) were also reviewed.
60. **Management self-assessments.** Management carried out a self-assessment based on a checklist

¹⁸ Three impact assessments conducted by RIA were available for projects in the CLE population in China, Ghana and Kenya. An impact evaluation conducted by IOE was available for an additional project in Kenya, as well as in Georgia (the latter one was classified as a "yellow-case" project). Several projects had surveys conducted under the framework of IFAD's Results and Impact Management System.

prepared by IOE informed by the evaluation matrix, and presented its results at a workshop in late June 2018. Key topics were: Management and staff's perceptions on corporate organizational aspects, available instruments for supporting pro-poor value chain development, specific ongoing corporate initiatives and emerging results.

61. **Key informant interviews.** The evaluation carried out interviews with IFAD managers and staff at different levels and locations, at headquarters and in country offices. Interviews were also held with representatives from governmental and non-governmental organizations, international organizations,¹⁹ private-sector organizations, farmers organizations and civil society organizations (see annex V for the List of Key Persons Met).
62. An **electronic survey** was developed to canvass knowledge, views and experience of IFAD managers, operational staff, and managers of IFAD-funded projects about IFAD's work on value chain development (see annex IV). The survey was administered between July and September 2018, and responses were anonymous. The total survey population included 480 potential respondents; of these, 242 were IFAD professional staff and 238 were project managers. Including partial responses, the response rate was 33 per cent for IFAD staff, 55 per cent for project managers and 44 per cent overall.²⁰ Findings were disaggregated by blocks of respondents (e.g. IFAD staff versus project managers).
63. **Review of partnerships with peer organizations and the private sector.** This included the partnerships established by IFAD at the corporate level (e.g. Intel, Mars and Unilever) as well as at the country and project level (e.g. GIZ, Netherlands Development Organisation [SNV], and USAID), as they could be assessed by the evaluation through country case studies.
64. **Analysis of relevant experience in partner organizations.** The CLE collected information on value chain development work from other organizations (African Development Bank, Agence Française de Développement, Asian Development Bank, DANIDA, FAO, GIZ, SNV, USAID and World Bank). Existing reports and

evaluations were reviewed and interviews were conducted on a selective basis; this exercise was assisted by NVIVO™ software.

F.2 Constraints

65. In most cases, documentation on project implementation (e.g. supervision and mid-term review [MTR]) contained little information that was pertinent to the project value chain elements. Overall, information was fragmented and data were available on some value chain functions only (and in the case of private operators, information on costs and revenues was not easily disclosed) or not sufficiently granular (e.g. by commodity). Some information gaps could be filled through the CLE country visit and ongoing or past evaluations, but evidence was patchy overall. A similar challenge was found in past evaluations, where the value chain aspects had not been analysed in detailed.
66. Similar to the case of other organizations (DANIDA, 2010; DEval, 2016), value-chain-specific data were relatively scarce. Only for five projects did the evaluation find data analysed through rigorous methods (for example, surveys done by the Strategy and Knowledge Department of IFAD, RIA or IOE, including treatment and comparison groups and dealing explicitly with sampling bias). Given the multicomponent nature of IFAD-funded projects, even in those cases it was challenging to differentiate the effects due to value chain development from the effects of the overall project support (e.g. rural roads, irrigation and extension components).
67. Many interventions were still ongoing (70 per cent), and an MTR had not yet taken place in 18 per cent of the cases. This meant that, for some projects, no solid evidence was yet available about the results.

G. Evaluation process

68. The CLE started in January 2018. An approach paper was prepared and peer reviewed within IOE, discussed with the Evaluation Committee in its March 2018 session, and thereafter finalized. Two inception workshops were held in IOE in February and March 2018 in order to further develop and refine the conceptual framework of the evaluation, the categorization of value chain interventions, the criteria for selecting country and project reviews (based on the CLE main questions), and the scope for country visits and desk-reviews.

¹⁹ The evaluation team also interviewed representatives of the UN Inter-Agency Working Group on Value Chains.

²⁰ Although the survey was extended until late September 2018, the reassignment process that concluded in July 2018 may have affected responses from IFAD staff.

Key points

- In recent decades, traditional food systems have been increasingly replaced by larger-scale processing, wholesale and logistics operations serving retailers, food service operators and large markets through coordinated value chains.
- Governments, development agencies and donors have supported the development of inclusive and socially and environmentally responsible value chains. At IFAD, as in other international organizations, the expectation was that, by helping small-scale producers access value chains, the latter would capture a higher degree of the value added and become less dependent on public and donor funding. The focus of the 2030 Agenda and the SDGs on “no one left behind” has raised the issue of the inclusiveness of value chains.
- Drawing from the literature, this CLE proposes a conceptualization of “value chain” that includes: (i) a core value chain; (ii) governance; (iii) an extended value chain (comprising providers of various types of goods and services); and (iv) the enabling environment.
- The CLE articulates IFAD’s support to pro-poor value chains along these key elements:
 - (i) IFAD’s organizational structure, strategy and capacity; (ii) project design and implementation quality; (iii) project effects; (iv) pro-poor outcomes; and (v) long-term impacts.
- The time frame for the CLE is from January 2007 to December 2018. The CLE conducted:
 - (i) an assessment of IFAD value chain strategic documents and knowledge products; (ii) an analysis of the Programme Management Department of IFAD (PMD) and IOE data and documentation on the value chain portfolio; (iii) a close review of 77 loan-funded projects in 29 countries; (iv) a review of evaluations by other international organizations; (v) a review of past IOE evaluations; (vi) a self-assessment workshop organized with IFAD’s Management; (vii) key informant interviews with IFAD managers and staff and with other organizations; (viii) an e-survey of IFAD operational staff and project managers; and (ix) a review of partnerships with peer organizations and the private sector.
- Constraints faced by this evaluation were due to fragmented information and limited rigorous data on results. Many projects were still at an early implementation stage, and little could be said about their effects.

69. Country visits and desk-reviews were conducted between May and early October 2018. The team held two stocktaking meetings in Rome, in mid-June and mid-October 2018, which were also an opportunity to conduct interviews at FAO and IFAD. The draft report was peer reviewed in IOE in February 2019, and shared with Management in February 2019 for its written comments. Based on these, the report was revised and finalized, and an audit trail produced on the comments. Management provided its written response to the evaluation recommendations for discussion – together

with the main report – with the Evaluation Committee in June 2019 and with the Executive Board in September 2019. In addition to the main report, an evaluation profile²¹ and an infographic were prepared. A podcast on interviews with project beneficiaries was produced, based on a country mission.

²¹ Profiles are among IOE’s key communication products, produced at the end of the evaluation following finalization of the report. They contain a summary of the main evaluation findings and recommendations.



MOZAMBIQUE

Maria Maxailli, age 60, widowed mother of 3, weeds her field.

©IFAD/Clarissa Baldin

2. Corporate strategies and processes, and the portfolio supporting value chains

70. This chapter begins with a review of IFAD's portfolio supporting value chains. It then analyses the level and modalities of integration of the concept of value chain development, and its operationalization at the corporate level, including a review of IFAD's strategic frameworks and corporate policies and strategies, of human resource issues, and of knowledge products. Most of the analysis and discussion in this chapter relates to the criterion of efficiency, notably how IFAD's organizational structure, human resources, expertise and budgets have been used to support the design and implementation of the evaluated interventions.
- A. Overview of the IFAD portfolio on value chains**
71. Between 2007 and 2018, IFAD's Executive Board approved 367 projects. Of these, this CLE classified 228 projects (62.1 per cent) as **value-chain-relevant** (table 2); 18 projects (4.9 per cent) as **ancillary**; and 121 as not relevant to value chains (33 per cent) (definitions in chapter 1). Within each IFAD regional division, the proportion of value-chain-relevant projects ranged from slightly over half to two thirds of the projects approved during the period under analysis (table 2).
72. When considering the proportion of value-chain-relevant projects of each division out of the total IFAD portfolio (figure 3), in terms of number of projects approved, the largest share, 27.2 per cent, was in APR. In the other divisions, the shares were similar to one another: 19.3 per cent in NEN, 18.9 per cent in WCA, 17.5 per cent in LAC, and 17.1 per cent in ESA.
73. In terms of volume of investments (loans and country-specific grants, and Adaptation for Smallholder Agriculture Programme [ASAP] funds), out of the total of US\$10.2 billion approved, 68 per cent (US\$6.96 billion) was for value-chain-relevant projects. Differences between regions were wider (figure 3): APR has been the largest recipient of IFAD funds channelled through value chain projects, amounting to US\$2.18 billion (31.3 per cent), while LAC has been the region with the smallest allocation, US\$0.61 billion (9.3 per cent). In between come ESA, WCA and NEN (22 per cent, 20.4 per cent and 17 per cent, respectively). This is to some extent related to the allocation of funds to the relevant countries according to the Performance-based Allocation System adopted by IFAD.

TABLE 2

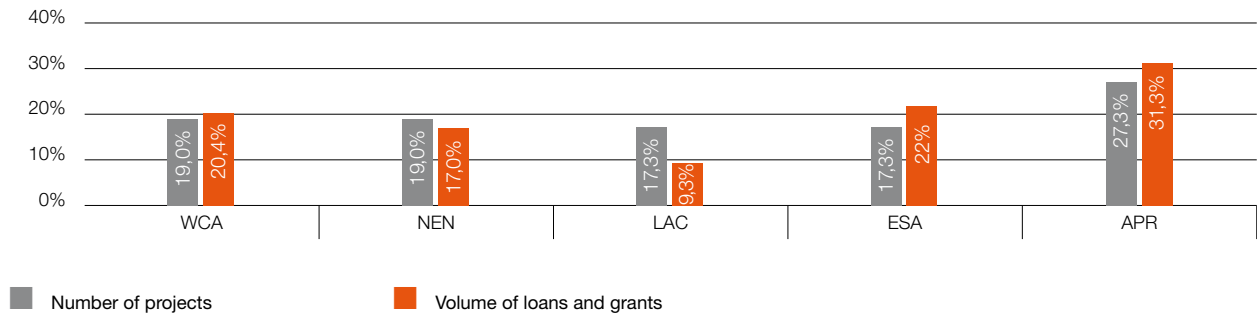
Number of projects approved by IFAD's Executive Board, by IFAD regional division (2007-2018)

Region	Value chain	Ancillary	Non-value chain	Sum	Percentage value chain within region
Asia and the Pacific	62	2	31	95	65
East and Southern Africa	39	7	24	70	56
Latin America and the Caribbean	40	1	20	61	66
Near East, North Africa and Eastern Europe	44	2	22	68	65
West and Central Africa	43	6	24	73	59
Total	228 (62%)	18 (5%)	121 (33%)	367 (100%)	62

Source: IOE-IFAD.

FIGURE 3

Proportion of IFAD value chain loans and country-specific grants, by regional division



Source: IOE-IFAD (2018).

74. **Over the past ten years, IFAD’s operations have shifted significantly towards value chain development approaches.** Looking at the number of projects approved, a comparison of the replenishment periods is presented in figure 4. This shows an incremental tendency in the percentage of value chain projects approved, up from 41.5 per cent in the Seventh Replenishment of IFAD’s Resources (IFAD7; 2007-2009) to 56.6 per cent in the Eighth Replenishment of IFAD’s Resources (IFAD8; 2010-2012), and 80.2 per cent in the Ninth Replenishment of IFAD’s Resources (IFAD9; 2013-2015). The Tenth Replenishment of IFAD’s Resources (IFAD10; 2016-2018) marked a decrease of eight percentage points in value chain projects approved compared with the previous replenishment period. Similarly, in terms of volume of financing, the proportion of IFAD funds dedicated to value chain interventions increased from IFAD7 to IFAD9, and only slightly decreased in IFAD10. The most significant increase took place in IFAD9 (figure 5).
75. **The importance and centrality of value chain development varied between projects.** The CLE team made a subclassification along a three-point scale of intensity of value chain focus (low, medium and high).²² Low-focus projects were 21 per cent of all value chain projects,

while medium-focus and high-focus ones were 43 per cent and 36 per cent, respectively.²³

76. **The average project cost for value chain projects was higher than for non-value chain projects** (US\$63.2 million versus US\$53.4 million, table 3), and this difference was almost significant. This was due to IFAD’s loans being on average slightly higher and, more importantly, larger average allocations by governments and beneficiaries for financing for value chain projects. Conversely, the average external cofinancing was only slightly lower and not significant.
77. **The top five institutions cofinancing value chain development projects in the last ten years have been:** (i) Asian Development Bank (US\$751.3 million),²⁴ (ii) International Development Association (US\$501.7 million), (iii) OPEC Fund for International Development (US\$352.6 million), (iv) African Development Fund (US\$252.3 million), and (v) Spanish Food Security Cofinancing Facility Trust Fund (US\$176.9 million). In total, 56 projects in 38 countries²⁵ have benefited from these funds, of which Indonesia, Bangladesh, Ghana, Uganda and Madagascar have been the top five recipients (in decreasing order).
78. Cofinancing was not always linked directly to value chain development but connected

22 In low-focus projects, value chain development was one of the stated objectives but interventions dedicated most resources to local development, the improvement of primary production and of physical access to markets. Value chain aspects were typically to be addressed at a later implementation stage. In medium-focus projects, value chain development was one of the main objectives and, typically, received similar “weight” to other components. Projects with a high value chain focus dedicated the larger part of components and financial resources to this domain, although primary production aspects and other components were not necessarily excluded.

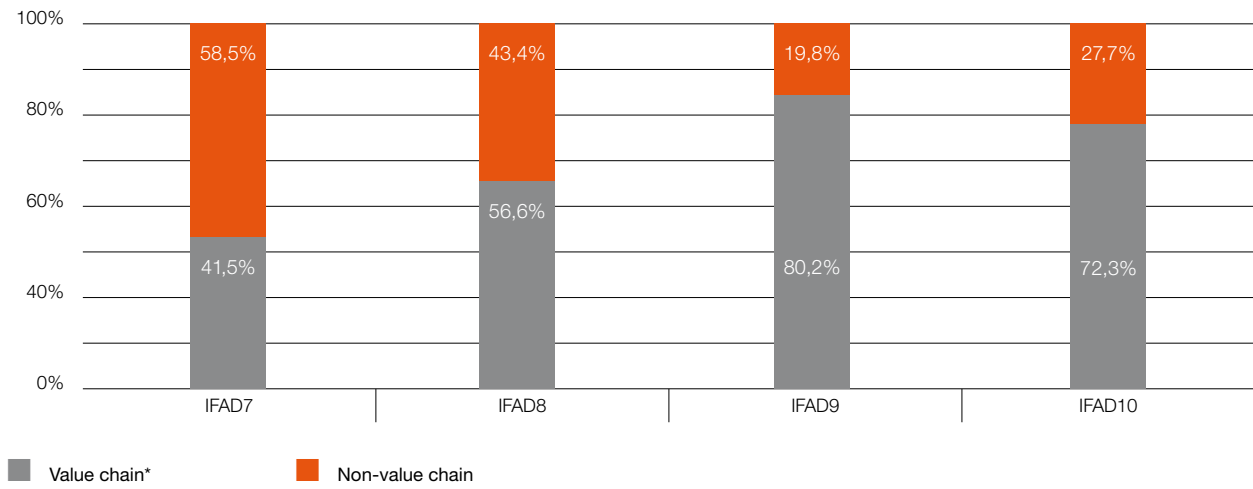
23 The classification of focus was first done on the full population of value chain projects (based on design), and later validated in the 77 projects closely reviewed. While the latter figures are presented here, proportions were very similar in the two exercises and differences statistically insignificant.

24 The high percentage is mainly due to the US\$600 million cofinancing by the Asian Development Bank for the Integrated Participatory Development and Management of Irrigation Program in Indonesia.

25 APR = 8; ESA = 9; LAC = 7; NEN = 3; WCA = 11.

FIGURE 4

Number of projects approved, by Replenishment period

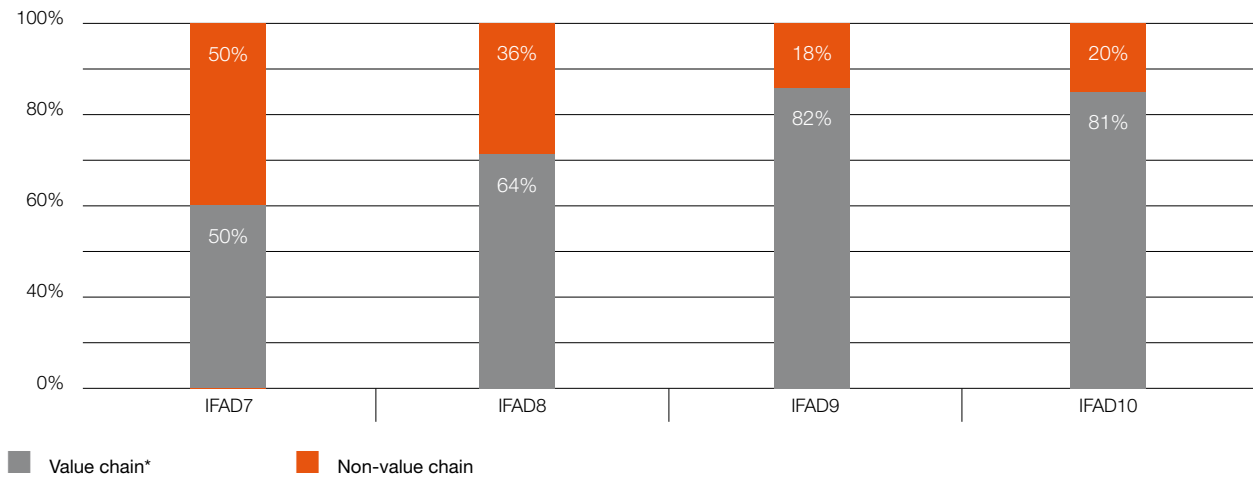


* Ancillary projects included.

Source: CLE elaboration based on Flexcube and GRIPS (2019).

FIGURE 5

Volume of IFAD loans and country grants, by Replenishment period



* Ancillary projects included.

Source: CLE elaboration based on Flexcube and GRIPS (2019).

TABLE 3

Average financing for value chain and for non-value chain projects

	Value chain projects (US\$ millions)	Non-value chain projects (US\$ millions)	Significance of difference
Average project cost	63.2	53.4	Significant at 5% in a one-tailed test
Average IFAD contribution	28.4	24.7	Significant at 5% in a one-tailed test
Average government and beneficiary financing	21.6	12.0	Significant at 5%
Average external cofinancing	13.2	13.8	Not significant

Source: IOE-IFAD (2018).

TABLE 4

Grants relevant to value chain development

Subthematic focus	Number	Percentage*
Markets and value chain integration	16	38
Access to agricultural technology and production services	13	31
Financial services	4	10
Institutions and policies	4	10
Climate change adaptation	3	7
Vocational training and skills	3	7
Rural organizations	2	5
Rural enterprise and non-farm employment	1	2
Total	42	

* The sum does not add up to 100 because some grants have multiple objectives.

Source: GRIPS (2018).

in several ways (e.g. irrigation, and road construction). Cofinancing was found to be of particular importance where it supported policy dialogue, as happened in the collaboration with the World Bank in Sudan, or allowed the issues of natural resources management and climate change adaptation to be addressed, as happened with the Global Environment Facility (GEF), for example, in Cambodia and Viet Nam.

18

79. **Grants.** Besides loan-component grants (which are part of loan-funded projects), the CLE identified 42 grants as relevant to the topic of value chains.²⁶ Of these, 6 were country-specific and the remaining 36 global and regional. These grants were worth US\$49.84 million, had 35 different recipients and were approved in the period 2009-2018. Among these, 13 were sponsored by ESA, 12 by the PTA, 8 by APR, 6 by LAC, 2 by NEN, and 1 by WCA. Table 4 shows the subthematic focus of the value-chain-relevant grants.

80. Grants were used for three broad purposes (non-mutually exclusive): (i) piloting initiatives on the ground; (ii) national-level capacity-building; and (iii) knowledge management and policy work.

81. **Piloting initiatives.** Grants piloted specific activities on the ground, within existing projects. These ranged from the piloting of the public-private-producer partnership approach (4Ps) in El Salvador, Mozambique, Senegal, Uganda and Viet Nam, all implemented by SNV, to piloting the formation of multi-stakeholder platforms in Uganda (also implemented by the SNV, trying to set up a multi-stakeholder platform for the oil-seed sector). Most of the activities under the umbrella of 4Ps pertained to the establishment and strengthening of producer organizations, and to linking these with markets. In Armenia, Georgia, Kazakhstan and the Republic of Moldova, a grant to Agro-inform helped create and develop cooperatives involved in horticulture.

82. **National- and project-level capacity-building.** Grants supported capacity-building through training in value chain development, business plans and the establishment of collective institutions such as cooperatives. In addition, some grants supported training of project staff at the national level; this ranged from the use of the GIS for project design and implementation (Senegal), to using climate data in policymaking (Honduras), and to training of national institutions on value chain methodologies in APR.

83. **Knowledge transfer.** Some grants worked on knowledge transfer, such as exchanges between projects. For example, grants to Procasur and SNV facilitated regional learning visits in value

²⁶ These grants were extracted from the GRIPS database and selected based on their topic statement, after validation with the regional divisions and with the PTA value chains desk.

chain projects in selected countries in the Near East and North Africa, in West and Central Africa (one example found in Senegal with an exchange with Colombia) and in Latin America.

B. Corporate-level strategies and policies

84. **IFAD Strategic Frameworks and Replenishment consultation reports.** During the CLE timespan, IFAD issued three Strategic Frameworks, for the periods 2007-2010, 2011-2015 and 2016-2025. The stated overarching goals and strategic objectives **evolved over time**, which also led to **adjustments in the way the corporate vision addressed value chain development**.
85. In 2007-2010, the Strategic Framework had a predominant focus on sustainable agriculture and rural development, and the analysis of value chains was considered a useful tool to improve access to markets for poor rural producers. Value chain approaches were not yet explicitly at the centre of IFAD's work. In the 2011-2015 Strategic Framework, the emphasis shifted towards identifying opportunities for incomes, improving access to services, and influencing policies and institutional environments. The Strategic Framework brought attention to the need for **value chains to be "pro-poor,"** including concerns about the gender neutrality of value chain development. In parallel, the IFAD9 consultation report in 2012 stressed that value chains were **the future of small-scale agriculture**, which should be driven by markets through partnerships with the private sector, and supported by policy dialogue.
86. The current Strategic Framework, 2016-2025, raises the importance of access to markets to the level of a strategic objective, while merging elements from the previous frameworks. This has led to a **renewed emphasis on primary production**, complemented by attention to climate change, and to enhancing the benefits for small-scale producers when they seek access to markets. The 4Ps model is proposed as one of IFAD's trademarks, while raising attention on the importance of value chains being environmentally sustainable.
87. In 2015, the IFAD10 consultation report acknowledged that value chain development and engagement with the private sector were important features of IFAD's operations, but that they needed to be complemented by adaptation to climate change, improved nutritional impacts, gender equality and women's empowerment. In 2018, the consultation report on the Eleventh

Replenishment of IFAD's Resources (IFAD11) considered value chain development an **acquired approach of IFAD, which nonetheless required fine-tuning** by: (i) revisiting the relationship with the private sector, to achieve purposeful partnerships; (ii) introducing attention to food quality and reduction of food losses and waste; and (iii) raising sustainability and inclusiveness through targeting the "extremely poor people who have the potential to take advantage of improved access to assets and opportunities."

88. **IFAD has no corporate strategy or policy on value chain development.** Despite the importance of value chain approaches in IFAD's vision and portfolio in the period 2007-2018, the Fund did not consider it necessary to develop a dedicated corporate strategy, or an overall guidance document.
89. The PMI/RME,²⁷ responsible for providing technical advice also on value chain development, sought to provide some form of guidance. In its view, value chain development should be one of the means to achieve the overarching goal of reducing rural poverty. Its vision included: (i) a focus on people and not on commodities; (ii) the identification of multiple entry points, not just through primary production; (iii) the identification of partnerships with the private sector, and of win-win opportunities; and (iv) the need to tailor the value chain approach to the specific context.²⁸
90. **The absence of a more structured corporate approach on pro-poor value chain development had implications on the clarity of the concept within the organization.** As discussed throughout this report, the variety of country and project contexts, and a certain "fashion" effect, have all contributed to a disparity of interpretations within IFAD and to some departures from the "vision" developed by the PMI/RME. The overwhelming majority of respondents to the CLE e-survey (83.3 per cent) agreed with the statement: "IFAD has a clear vision of how value chain development contributes to rural poverty reduction." However, differences in views and interpretations also emerged during the CLE interviews and throughout the country review. Several senior

²⁷ Until mid-2018, the Rural Markets and Enterprises desk team was part of the PTA, which was dismantled, and the team was then integrated in the Sustainable Production, Markets and Institutions Division (PMI). The report uses the acronym PMI/RME for ease of reference.

²⁸ Source: CLE Management self-assessment workshop (June 2018).

managers mentioned that the ongoing focus on value chains could lead to a drifting away from the IFAD's original mandate. Many staff members expressed concern about the actual relevance and contribution of IFAD value chain approaches to reducing rural poverty. At the same time, some staff members believed that the Fund's value chain approach should become more holistic and address the entire value chain. Others felt that the value chain approach was being overloaded with the demand to be gender-sensitive, nutrition-sensitive, and climate-change sensitive, while not all value chain interventions could adequately address all issues.

91. **Other IFAD policies and strategies.** Over the timespan of the CLE, IFAD issued several policies and strategies addressing a wide range of topics. The extent to which value chain development was taken into account and/or cross-referenced in these was very variable, as could be expected, considering the different moments in time when these vision documents were developed and approved.
92. **The 2012 Partnership Strategy** explicitly referred to value chain development.²⁹ Value chains were also mentioned in a document presented by IFAD at the Third Session of the Eleventh Consultation on IFAD's Replenishment, Leveraging Partnerships for Country-level Impact and Global Engagement (September 2017), mainly in the context of 4Ps.
93. **At the corporate level, memorandums of understanding (MoUs)** have been developed and signed with the Alibaba Group, Intel, Mars and Unilever.³⁰ In parallel, IFAD has established a due diligence process to be followed before entering into partnerships with private-sector actors. In the cases of Mars and Unilever, the MoUs commit the heads of each company and IFAD to improve the conditions of small-scale producers through value chain development. Action was to follow at the country level, as for example happened with Mars in Indonesia and
94. **Despite the absence of systematic monitoring, anecdotal evidence shows that several agreements have been struck with larger companies, including multinational companies at the country level,** as was the case in Senegal with the national Alif Group and Nestlé, and in Sao Tome and Principe with Raimondi/Kaoka. Overall, collaboration at the country level appears to be more effective because the terms of the agreements are grounded around specific circumstances and contexts, and stakeholders are directly involved in the negotiations. This suggests that corporate-level MoUs may be useful in developing an image for IFAD, but that the identification and development of concrete opportunities for collaboration require attention and action at the country level.
95. Throughout the period evaluated, **clear approaches were not formulated for obtaining technical support for project design and implementation on the topic of value chains.** While generally speaking some flexibility is needed, the choice was mostly left to country programme managers (CPMs). Sometimes this led to useful collaboration with other agencies (e.g. bilateral cooperation, and NGOs) but it remained largely and individual effort. At least at the regional level, this could have been coordinated more clearly and earlier on. Examples of valid cooperation on capacity-building – some of them through grant financing – are discussed further below in this report. However, the level of synergy and timeline adjustment with other lending operations has been uneven.
96. **The Private Sector Strategy,** also issued by IFAD in 2012, aims to reduce rural poverty by deepening the Fund's engagement with the "corporate private sector," identified in for-profit businesses or companies not owned or operated by government.³¹ It proposes three measures

²⁹ "IFAD is committed to: engaging private sector actors more systematically in country- and project-level programming to raise their pro-poor and sustainable investments in rural areas; using its engagement in policy dialogue to promote a more conducive rural business environment that enables the smallholders and the rural poor to get better access to markets and value chains".

³⁰ With Intel, the focus is on Intel providing access for smallholders to ICT services relevant to agricultural and rural development, including extension and marketing. With Mars, the focus was on improving producers' access to marketing, capacity development and advocacy. With Unilever, the focus was at both the strategic and policy levels, i.e. pursuing global issues that are a priority for both parties (e.g. food waste and youth), and at the operational level, by improving producers' participation in sustainable commodity-sourcing projects.

³¹ The Private Sector Strategy establishes several principles of engagement. The most relevant to value chain development are: (i) the interests and needs of small farmers and poor rural producers as a driver for the partnerships; and (ii) transparency and clear and agreed responsibilities and accountability by all partners, as well as the integrity, independence and neutrality of IFAD. IFAD's role in value chain development is described as that of an honest broker and facilitator of public-private partnerships (PPPs).

to deepen engagement with the private sector: (i) strengthen COSOPs, project loans and grants, partnerships, and policy dialogue as related to rural pro-poor private-sector development; (ii) build the capacity and knowledge of IFAD and its staff in engaging with the private sector and establishing partnerships; and (iii) explore options for IFAD to better support SMEs in developing countries.

97. Among the three measures, **capacity-building for government staff and project staff is not explicitly considered**, although governments are responsible for project implementation. At the country level, the evidence available suggests that project implementing units were often at a loss with regard to striking a balance between value chain development and pro-poor approaches, as further discussed in this report.
98. **Other policies and strategies did not include explicit reference to value chain development**, in some cases due to their earlier approval, such as the Knowledge Management Strategy in 2007, the Targeting Policy in 2008, the Climate Change Strategy in 2010, the Environment and Natural Resources Management (ENRM) Policy in 2012, and the policy on grant financing in 2015.³² Nevertheless, the ENRM Policy noted that market entry may come at the cost of widespread conversion of landscapes to monocropping, thus reducing resilience to environmental hazards. Moreover, the Targeting Policy stated that IFAD should strive to proactively reach the extreme poor, those with fewer assets (e.g. minorities and indigenous peoples) and women, and that where targeting approaches can include the better-off, a clear rationale and monitoring are required to prevent elite capture. It was expected that value-chain-relevant projects would comply with all corporate policies and strategies, as appropriate, like any other IFAD intervention.
99. Three other policies and one action plan, namely, the Engagement with Indigenous Peoples Policy in 2009, the Rural Finance Policy in 2009, the Gender Equality and Women's Empowerment Policy in 2012, and the Mainstreaming Nutrition-Sensitive Agriculture Action Plan 2016-2018 (issued in 2015), all include specific references to value chain development that are discussed further below in this report.

³² In December 2018, the Executive Board of IFAD approved a strategy and action plan on environment and climate change (2019-2025), which mention value chains. In 2015, IFAD also introduced its first Social, Environmental and Climate Assessment Procedures, with references to value chains.

100. **In sum**, over the past decade, IFAD has shifted from an initial attention to the concept of value chain, to its increased adoption in corporate agendas and in the portfolio. Value chain development is a well-acknowledged element of the corporate approach. However, the issue of the capacity of IFAD staff and of government agencies to engage in value chain development was not acknowledged well in the early days.

C. Integration of value chain issues in COSOPs

101. A COSOP is jointly agreed with the national government for a period of 5-6 years. The extent to which COSOPs have included references to value chains and the extent to which this has changed over time are indicators of how IFAD has integrated value chain approaches in its strategies and plans at the country level.
102. **Some gaps in COSOP coverage of value chains.** In 85 countries among the 96 countries borrowing from IFAD for value-chain-relevant projects from 2007 to 2018, a total of 123 COSOPs and country strategy notes³³ were approved (i.e. some countries had more than one COSOP). In 62 countries, there were 84 COSOPs (68.3 per cent of all COSOPs) discussing value chain development in both context analysis and at the programmatic level. Thus, some 30 per cent of the COSOPs in countries where value chain relevant projects were approved had no reference to value chain development.
103. **The level of attention of COSOPs to value chains increased after 2010.** Among the COSOPs that included references in the context analysis or at the programmatic level, it took over 14 years, between 1997 and 2010, to approve nearly half of the COSOPs. However, the pace then accelerated, with the remaining half being approved over 8 years, between 2011 and 2018, a much shorter period. At the country level, IFAD often adopted a stepwise approach, first focusing on primary production, followed by access to markets, and finally value chain development.
104. Given their scope and format, and given the limited resources available for preparation, COSOPs cannot be expected to provide technical guidance on value chain work (this being done

³³ A country strategy note is used at times for shorter periods, or when a full COSOP is not justified by the financial allocation to a given country.

at project design). However, based on past experience or the analysis of the country context, they can identify commodity categories for future operations, pinpoint policy issues and institutional constraints, and propose options to deal with these (for example, scouting experience and knowledge of other partners, selecting partners with appropriate technical experience, and engaging in policy dialogue). For example, COSOPs such as the ones for Mauritania (2007) and Morocco (2008) were prepared when there was little portfolio experience on value chain support. These COSOPs have the merit of logically linking value chain development with concern for the poorer groups and with sustainable natural resources management (Morocco). However, they show less familiarity with the partners to be involved and the potential risks. In contrast, the COSOPs prepared for Senegal (2010; as well as the country strategy note for 2017-2018) and Ghana (2012) were based on previous hands-on experience in the country. They show better awareness of opportunities, and also constraints, such as weak capacity of governments and project management staff.

105. According to IFAD staff, there was an increase in demand for value-chain-relevant projects in the borrowing countries during the evaluation period. There was also pressure from IFAD to label COSOPs and projects as “supporting value chains.” However, the successful integration of value chain development approaches in IFAD’s country programmes required some changes in conceptual frameworks, and the capacity to identify and interact with new stakeholders (private enterprises), in addition to new knowledge (e.g. on markets, standards and consumer demand), whereas, initially, there was little clarity on how this could be done.

D. Human resources and corporate procedures for value chain development

D.1 Human resources

106. The CLE reviewed the technical human resources in place during the evaluation period that could help country programme managers design and support implementation of value-chain-relevant projects. Until mid-2018, IFAD had three specialists (two at P5 and one at P4 level) in the PMI/RME located at the Fund’s headquarters, who, in the broader context of their work on rural markets and enterprises, also held responsibility on value chain topics. In addition to responsibilities at the normative level and to direct engagement in project design, that team also spent time on project supervision and implementation.

107. As of late 2018, the IFAD corporate reassignment process led to a reduction in the team size, with only two lead technical specialists (P5 level) working on value chain development – one posted at the Peru IFAD subregional office and one at headquarters. A third position was vacant at the time of writing this report, and there was no information about other positions planned elsewhere. Although value-chain-related projects in LAC may benefit from closer technical support through the Peru hub,³⁴ all other value-chain-relevant projects in all other regions and countries will be under the technical oversight of only two staff members.

108. In addition to the PMI/RME staff, staff in the Partnership and Resource Mobilization Office, currently part of the External Relations and Governance Department, have been contributing to value-chain-related work at the corporate level through the development and follow-up of the MoUs signed between IFAD and private-sector companies, as mentioned above.

109. Overall, and taking into account the CLE review of the case studies, **the in-house expertise available before the 2018 reassignment was stretched, given the size of the value-chain-relevant portfolio.** The new staff distribution foresees that the technical specialists assigned to the regional hubs will also have broader, “generalist” tasks in the design and supervision of a wide range of projects in the relevant countries. Although it is too early to make any assessment, significant gaps in the provision of specialized in-house expertise are likely to arise.

110. *Prima facie*, the above is not unexpected, given that IFAD has had few full-time technical specialists in its staff across the thematic areas. The specific issues for value chain work are that it requires different types of knowledge – including of national and international market dynamics and opportunities, and of private business practices – that were not typical of the traditional expertise of staff.

111. As was previously the case, and similar to other thematic areas, consultants will continue to be heavily relied upon. In turn, this requires staff members (e.g. CPMs) with substantive confidence with the subject to select competent consultants, supervise them and ensure continuity of institutional learning. This requires

³⁴ The hub in Peru is responsible for Argentina, Bolivia (Plurinational State of), Colombia, Ecuador, Paraguay, Uruguay and Venezuela (Bolivarian Republic of).

TABLE 5

IFAD staff and project managers' view on clarity of vision and expertise on value chains

Answer choice	Average IFAD staff	Average project manager	P value
IFAD has a clear vision of how value chain development contributes to rural poverty reduction	4.8 (agree)	5.3 (agree)	0.0002***
IFAD has technical expertise to adequately support its current portfolio of value chain development projects	4.3 (moderately agree)	4.9 (agree)	0.006***
IFAD trains its staff and consultants on pro-poor value chain approaches	3.5 (moderately disagree)	4.6 (agree)	0.000004***
IFAD partners with other organizations that have value chain expertise	4.4 (moderately agree)	4.9 (agree)	0.03**
IFAD learns from its experience on value chain development	4.5 (moderately agree)	5.1 (agree)	0.0015***
Number of respondents	72	127	

** Difference is significant at 5%; *** difference is significant at 1%.

Ratings: 1 = firmly disagree; 2 = disagree; 3 = moderately disagree; 4 = moderately agree; 5 = agree; 6 = firmly agree.

Source: CLE e-survey (2018).

some “investment” in capacity-building for non-technical staff (e.g. CPMs and programme officers). IFAD has prepared technical knowledge products (discussed further below).³⁵ However, there have been few training programmes on value chain development, which was not included in the induction programme for new staff, although there are plans for its inclusion.

112. To some extent, an overarching agreement with the FAO Investment Centre enables access to experts as members of design and supervision completion teams. However, the availability of specialized consultants with strong specific knowledge of IFAD was an often-heard challenge, as their time had to be booked well in advance, and this was not always feasible.

113. In some cases discussed above and later in this report, IFAD has also relied on the technical expertise of international NGOs, through global and regional grants, or contractual agreements within loan-financed projects, to provide

technical assistance and/or capacity-building opportunities to government and project staff and to project targeted groups. These agreements have provided useful technical inputs, although this emerged more as ad hoc opportunistic help rather than a systematic approach for supporting value chain development.

114. Problems with capacity of staff existed also in the country, in project management teams, as further discussed in this document. In some projects, such as in El Salvador, Mozambique, Rwanda and Senegal, the implementation unit included a full-time value chain specialist, but in many countries technical support was provided through supervision missions. This support was generally appreciated, but not always able (or timely enough) to effectively address the practical problems encountered in activity delivery on the ground, or to cover all desired thematic areas that value chain development encompasses.

115. **The CLE e-survey found differences in the perceptions of IFAD staff and project managers regarding clarity of IFAD’s vision, availability of in-house expertise and training (table 5).** While overall responses tended to be in the “positive zone,” IFAD staff’s responses were more cautious. The highest level of agreement from IFAD staff and project managers was on IFAD having a clear vision on how value chain contributes to poverty reduction. The lowest was on training for staff and consultants on value chain approaches.

³⁵ In addition, part of value-chain-related knowledge management, albeit through a different approach, is PMI/RME participation in the United Nations Working Group on Value Chain Development, established in 2011 by seven United Nations agencies, namely, IFAD, Food and Agriculture Organization of the United Nations, International Labour Organization (ILO), International Trade Centre (ITC), United Nations Development Programme, United Nations Industrial Development Organization and World Food Programme. The group commissioned a study to assess the respective potential and challenges, and the way forward. The report’s conclusions were that the seven agencies should better differentiate their respective added-values. The group, currently co-chaired by ILO and ITC, in practice remains an informal platform to exchange experiences in value chain development.

TABLE 6

IFAD staff and project managers' view on guidance on value chain development

Answer choice	Average IFAD staff	Average project manager	P value
IFAD provides adequate guidance for integrating pro-poor value chain approaches in its COSOPs	4.5 (moderately agree)	4.8 (agree)	0.007***
IFAD provides adequate guidance for integrating pro-poor value chain approaches in project design	4.9 (agree)	4.9 (agree)	0.21
Sufficient resources are allocated for pro-poor value chain analysis	3.7 (moderately disagree)	4.5 (moderately agree)	0.000002***
IFAD-supported value chain project designs adequately address the main risks and constraints	4.4 (moderately agree)	4.5 (moderately agree)	0.04**
IFAD provides quality expertise on pro-poor value chain development during project implementation	4.4 (moderately agree)	4.5 (moderately agree)	0.02**
Number of respondents	72	127	

** Difference is significant at 5%; *** difference is significant at 1%.

Ratings: 1 = firmly disagree; 2 = disagree; 3 = moderately disagree; 4 = moderately agree; 5 = agree; 6 = firmly agree.

Source: CLE e-survey (2018).

Here, IFAD staff moderately disagreed that it was adequate. Elsewhere, IFAD staff only moderately agreed on IFAD having adequate technical expertise and partnering with other organizations that have technical expertise, while project managers did not appear to see major issues. IFAD staff respondents provided a “veiled” critique on the Fund’s drawing on, imparting and internalizing technical skills. Instead, project managers did not observe major gaps in the system, which is a cause for concern, given that they are in charge of project implementation. Compared with its own observations, the CLE finds these responses rather optimistic.

D.2 Corporate procedures

Ex ante quality assurance

116. Corporate procedures for quality enhancement and assurance mechanisms of IFAD-funded projects (QE and QA) adopted until 2018 had no specific items/questions for value chain development interventions. The PMI/RME made efforts to attend the QE.³⁶ Information available about the QE and QA processes suggests that value-chain-relevant projects were treated the same as any other project. At the same time, IFAD staff acknowledged that the corporate mechanisms were not yet able to ensure harmonized approaches and specialized quality

assurance across all projects approved by the Fund. Over time, IFAD did develop a number of knowledge products aimed at providing guidance on project design (see the dedicated subsection in this report). However, these were not sufficient to compensate for the lack of a critical mass of in-house expertise and for systematic corporate mechanisms to brief and supervise consultants.

117. Interviews with IFAD staff also suggest that there are limitations to the scope for integrating lessons learned from other countries and regions into new projects. A number of reasons appeared to play a role in this respect. Among these, CPMs, who had the ultimate responsibility for project design, often had to take into account diverging priorities (e.g. of governments, of their line managers and of IFAD senior management), and not all technical recommendations were always taken into account.

118. The CLE e-survey elicited the view of IFAD staff and project managers on these topics. Responses from IFAD staff tended to be more “self-critical” than those from project managers with significant differences in almost all cases (table 6). Overall, IFAD staff moderately agreed that IFAD provided adequate guidance on value chains in country strategies. They agreed that IFAD provided adequate guidance at design, although moderately agreed that risk analysis was adequate and that support during implementation was adequate. Notably, with

³⁶ In 2018, QA and QE were further modified.

overall budgets available for project design in the range of US\$100,000-US\$250,000, IFAD CPMs tended to consider that an in-depth value chain analysis was beyond the resources and time available for this step.³⁷ Project managers moderately agreed or agreed with most of these statements.

“Fixing design” during implementation

119. Similar to what happens in many IFAD-funded projects, the MTRs have often been an opportunity for significant project revision, for example, in the Rural Livelihoods Development Project (RLDP) in Bosnia and Herzegovina and in the High Value Agriculture Project (HVAP) in Nepal. Moreover, the number of value chains addressed was strongly reduced in the Value Chain Development Programme for Poverty Reduction (ProLPRAF) in Mauritania, whereas in the Climate Resilient Post-Harvest and Agribusiness Support Project (PASP) in Rwanda the financial mechanism in support of stakeholders was modified in depth to better meet the needs of small-scale producer organizations. However, the practice of holding these reviews after four of five years of project implementation leaves limited time to implement changes. Supervision missions can be useful for raising issues but are normally undertaken “taking the design as constant,” not questioning the project concept but rather ascertaining implementation compliance with design.

Monitoring and evaluation, and impact assessment

120. The CLE review showed that project-level monitoring and evaluation (M&E) systems were not focused on relevant outcome-level indicators that could provide insights into the effects of value-chain-relevant interventions. For example, very few projects monitored and recorded effects on employment, or on youth participation in IFAD-supported value chains.³⁸

³⁷ An additional US\$50,000-US\$80,000 is also available for the design of Social, Environmental and Climate Assessment Procedures.

³⁸ According to Management, lack of data on employment is due to the fact that employment generation was not considered in the past as the main expected outcome of value chain interventions. IFAD’s revised Results and Impact Management System (RIMS) “core indicators” (see annex II, Table 4), approved by the Executive Board in 2017, include indicators on employment creation. The core indicators also include a new outcome-level indicator on “percentage of rural producer organizations engaged in formal partnership, agreements or contracts with public or private entities,” which refers to organizations that participate in value chains. See: IFAD, *Taking IFAD’s Results and Impact Management System (RIMS) to the Next Level*, EB 2017/120/R.7/Rev.1 (2017), <https://webapps.ifad.org/members/ec/96/docs/EC-2017-96-W-P-7.pdf>. On the other hand, Management expects that the availability of data on youth will improve as age-disaggregated data are increasingly collected by IFAD-funded projects.

This is similar to the findings of evaluations in other organizations (chapter 1).

121. RIA started conducting impact assessments under IFAD9 and, under IFAD10, plans to conduct impact assessments of 15 per cent of IFAD-funded projects.³⁹ Of the impact assessments completed under IFAD9 and IFAD10, three were on value-chain-relevant projects, namely: the Guangxi Integrated Agricultural Development Project (GIADP) in China, the Northern Rural Growth Programme (NRGP) in Ghana, and the Smallholder Dairy Commercialization Programme (SDCP) in Kenya. The analytical frameworks were developed on the basis of each project’s theory of change, which may or may not have treated value chain development explicitly. As an additional effort towards better insights, RIA is planning to introduce price analysis in its impact assessments.
122. Further impact assessments of projects supporting value chain development will be available in the future. Nevertheless, even if data are systematically collected about the Results and Impact Management System (RIMS) indicators, value chain development is a complex endeavour, with many stakeholders at different levels and complex interactions. Thus, proper monitoring of the variety of potential cause-effects loops at the different levels might be highly challenging in any case. This may require specific attention and lesson-learning, within IFAD and with other organizations that also operate in value chain development, to identify or develop cost-efficient and effective assessment tools for key value-chain-relevant parameters.

E. Knowledge products

123. Awareness and use of knowledge products. The e-survey results suggest a high level of awareness of IFAD toolkits and guidance documents on value chains among IFAD staff, with 89 per cent of staff aware of them, and of these, 80 per cent finding them useful for their work. In contrast, only 51 per cent of project managers were aware of IFAD’s knowledge products on value chains. However, of the project staff who knew about them, 89 per cent found them useful, suggesting it is worth taking steps to disseminate the products more widely.

³⁹ IFAD, *Development Effectiveness Framework* (2016), <https://webapps.ifad.org/members/eb/119/docs/EB-2016-119-R-12.pdf>.

124. **Quality of knowledge products.** The CLE team reviewed 11 knowledge products on value chains published between 2012 and 2016. They varied in length from 4 to 50 pages, and included five How to Do Notes,⁴⁰ a Technical Note,⁴¹ a Teaser, a Lessons Learned Note,⁴² a Scaling Up Note⁴³ and two Promotional Pamphlets.⁴⁴ The recently published guidance on nutrition-sensitive value chains is noted as an example of more detailed, high-quality guidance, but as it was launched in late 2018, it could not be included in the in-depth review. Each product was assessed against the following criteria: technical quality and innovation, clarity and user-friendliness, integration of poverty reduction, gender equality and environmental sustainability perspectives.⁴⁵
125. **Technical quality and innovation.** The CLE considers most products adequate in terms of technical quality for an introductory-level briefing. Those with a thematic focus have greater depth and quality. The How to Do Note on 4Ps is particularly strong as it draws on academic research, which enhances the quality and structure of the report. However, some of the other products lack clarity or consistency in the concepts used. In general, the knowledge products appear to **lack a common conceptual framework on value chains**, and there is no common visualization that could have helped establish common ground.
126. **Clarity and user-friendliness.** The products vary from quite poor to relatively good in terms of clarity and user-friendliness. The good performers (e.g. Lessons Learned Note, and How To Do Note on climate change risk assessment) are well structured, use accessible language
- even for complex issues (e.g. finance strategies), and are easy to follow. The use of diagrams, frameworks and checklists makes products more readable, and case-study examples really help to bring concepts to life. Other knowledge products were less clearly structured; some were wordy and sometimes inconsistent.
127. **Poverty reduction perspectives** are integrated in all products but the scope and depth vary. While most differentiate between small-scale producers with different levels of poverty, especially comparing subsistence farmers with more commercialized small-scale producers, there is a tendency to present the differences as universal rather than context-specific, for example, in terms of the ability of poorer producers to participate in value chains. The main weakness relates to the inclusion of rural poor who are not farmers. Although there are scattered references to microenterprises, workers and service providers in value chains, there is little detail or guidance on how to address and work with these groups. In addition, the focus is only on income poverty, to the neglect of other dimensions of poverty such as health, education and empowerment, which might drive a somewhat different approach to poverty reduction, even within a value chain development context.
128. **Integration of gender equality perspectives** is somewhat weaker than the poverty perspective overall. Stronger knowledge products (e.g. on livestock value chain analysis and on climate change risk assessment) have a separate, albeit small, section on gender, in addition to mainstreaming references to gender throughout the document. However, overall, the analysis lacks nuance, and typically does not highlight the marked differences between women (e.g. based on age, marital status, employment status and social groups) and between country and regional contexts.
129. **Integration of environmental sustainability perspective.** This was the least well-integrated area across the knowledge products, with the majority either not mentioning the environment or climate change at all, or giving them only minimal attention. For some of the products, such as the Promotional Pamphlets, this is not particularly problematic, but for others it is an important gap.
130. **In sum**, most of the knowledge products reviewed are considered to be sufficient for introductory-level briefing and some are of good quality. The better ones are thematic, allowing the topic to be explored in depth.
- 40 IFAD, *Commodity Value Chain Development Projects: Sustainable inclusion of smallholders in agricultural value chains*, How to Do Note (2014); IFAD, *Climate Change Risk Assessments in Value Chain Projects*, How to Do Note (2015); IFAD, *Public-Private-Producer Partnerships (4Ps) in Agricultural Value Chains*, How to Do Note (2016); IFAD, *Livestock Value Chain Analysis and Project Development*, How to Do Note (2016); IFAD, *How to Monitor Progress in Value Chain Projects* (2016).
- 41 IFAD, *Agricultural Value Chain Finance Strategy and Design*, Technical Note (2012).
- 42 IFAD, *Commodity Value Chain Development Projects: Sustainable inclusion of smallholders in agricultural value chains*, Lessons Learned Note (2014).
- 43 IFAD, *Sustainable Inclusion Of Smallholders in Agricultural Value Chains*, Scaling Up Note (2015).
- 44 IFAD, *Access to Markets: Making value chains work for poor rural people*, Promotional Pamphlet (2012); IFAD, *Public-Private-Producer Partnerships (4Ps) in Small Ruminant Value Chain Development in India*, Promotional Pamphlet (2015).
- 45 There have also been occasional publications such as: IFAD and Institute for Development Studies (IDS), *Brokering Development: Enabling factors for public-private-producer partnerships in agricultural value chains* (2015); John Humphrey, *Food Safety, Trade, Standards and the Integration of Smallholders into Value Chains*, IFAD Research Series (Rome: IFAD, 2017).

More recent products are not necessarily better than older products. What is missing is a common framework for describing value

chain systems and the principles of a pro-poor approach to value chain development, around which all knowledge products can be framed.

Key points

- Of the projects approved between 2007 and 2018, the CLE classified 228 (62.1 per cent) as value-chain-relevant (68 per cent of the value of loans and country grants and ASAP funding). APR was the largest recipient, LAC the smallest. The percentages increased from IFAD7 to IFAD9 and slightly decreased in IFAD10.
- The importance and centrality of value chain development varied between projects. In terms of project focus on value chains, the CLE classified 21 per cent as low focus, 43 per cent as medium focus and 36 per cent as high focus.
- IFAD has no dedicated corporate strategy on value chain development. Other thematic strategies or policies are relevant to the topic to a varying extent. Among these, the Private Sector Strategy contemplates capacity-building measures for IFAD staff but not for government and project staff, although they are responsible for project implementation.
- The value chain topic was complex and new to many IFAD staff. As in other thematic areas, internal technical expertise was stretched to support the value-chain-relevant portfolio. While CPMs have been front-line in design and implementation support, they have received little training. The absence of a more systematic corporate approach to value chain development has contributed to a disparity of interpretations on the implications of pro-poor value development.
- The QE/QA processes did not include specific value chain checklists. Mid-term reviews were an opportunity for significant project revision, but holding them after four of five years of project implementation left limited time to make changes.
- IFAD has produced a large number of toolkits and guidance documents on value chains. Most of the operational IFAD staff members are aware of these toolkits, but only half of project managers are. This CLE found most of the knowledge products to be rather adequate as a primer introduction. What is missing is a common framework for describing value chain systems and the principles of a pro-poor approach to value chain development.
- E-survey findings show that IFAD staff members are more “critical” than project managers in assessing IFAD’s training, capacity-building and resources allocated for analysis of value-chain-relevant projects.



EL SALVADOR

An artisan woman drills holes into seeds to create beautiful necklaces. Rural Territorial Competitiveness Programme, created in 2013.

3. Relevance of project design

131. This chapter reviews the relevance of project design, including the analysis undertaken and the realism of the objectives. As a part of the design relevance, the approaches taken to develop value chains and to provide financial services are considered. The approaches to targeting and gender equality are also reviewed as an element of relevance.
132. **An important change in project design focus.** It is important to acknowledge the changes that have been gradually taking place in the scope of project design. The vast majority of projects designed up until the early 2000s had an almost exclusive focus on basic needs, community development and production improvements. Since the mid-2000s, project designs have increasingly given attention to post-harvest and post-production functions (e.g. aggregation, processing and marketing), although they have tended to remain multicomponent interventions. This is a remarkable change that has posed challenges to IFAD at the corporate level in terms of its capacity to provide strategic and technical guidance to staff. It has challenged staff in internalizing the concept of value chains while adhering to poverty alleviation objectives. This chapter explores, more closely, key design features as well as opportunities and challenges faced.
133. **Challenges from complexity.** Value-chain-relevant projects tend to have more complex designs than do traditional ones.⁴⁶ This is due to the broad and diverse range of conditions that need to be in place for value chains to be viable, inclusive and sustainable (see chapter 1). These include, among others: productivity and production quality that meet market demand; trust and collaboration among different categories of stakeholders; fair contractual agreements for all value chain stakeholders (especially small-scale producers and their organizations); and financial resources accessible at an affordable cost to all stakeholders.
134. It is challenging for a single project to address all of them. In addition, the project implementation units require in-depth understanding of how value chains can be developed. They also need to have access to, and expertise on, a variety of topics, in addition to being able to operate simultaneously at different levels.
135. The analysis of project design quality is articulated as follows: (i) appropriateness of the value chain approach and realism of the time frame; (ii) selection and number of value chains; and (iii) quality of value chain analysis.
136. The appropriateness of the value chain approach largely depends on the local context. In areas that are geographically remote from main road networks, where primary production involves low yields, hygiene conditions are precarious and nutrition security weak, it may be premature to adopt a value chain approach.⁴⁷ In such contexts, projects to improve basic services (e.g. potable water, feeder roads, and sanitation), enhance productivity and strengthen grass-roots organizations may be more appropriate in order to lay the foundation for later supporting access to markets and integration with value chains.
137. Historically, at the country level, IFAD often adopted a step-by-step process, by focusing first on primary production, followed by access to markets and finally value chain development. However, **the level of preparedness for a value chain approach and the appropriateness for the project context were not systematically assessed in the design documents.** This may be in part related to the

⁴⁶ This was also noted in a recent IOE evaluation synthesis (IFAD, *IFAD's Support to Livelihoods Involving Aquatic Resources from Small-Scale Fisheries, Small-Scale Aquaculture and Coastal Zones, Evaluation Synthesis* [2018]) and largely confirmed by IFAD staff at different levels.

⁴⁷ This is acknowledged in IFAD, *Commodity Value Chain Development Projects, How to Do Note* (2014), <https://www.ifad.org/en/web/knowledge/publication/asset/39402428>.

absence of a common clear notion or framework of reference on pro-poor value chains at IFAD, and in part to the perceived pressure to add the “value chain label” to project design.

138. In addition, projects designs often do not question the realism of the time frame proposed: whether the time allotted to implementation of a single project will be sufficient, for example, to strengthen producers associations, build trust with aggregators and set up market information systems. As observed in several cases (e.g. Brazil, Morocco, Niger and Rwanda), this may in fact require sequencing the interventions through several project phases.

139. **Timing of the selection of value chains.** In most projects, the value chains were identified at the project design stage, typically through discussions between IFAD and the government, sometimes informed by a participatory validation with the targeted communities and producers, as in Bosnia and Herzegovina, Brazil, Guyana, Morocco and Senegal, or in Uganda (focus on oil palm). The alternative approach was to embrace at design a wide range of possible value chains in which to intervene, and postpone the selection to the implementation (somehow consistent with the PMI/RME tenet of prioritizing people over commodities). The CLE found the latter approach to be a viable option provided that clear selection principles were established and capable national agencies and specialists were in place.

140. For example, in the Tam Nong Support Project (TNSP) in Viet Nam, the design left flexibility of choice of value chains, which were later identified at implementation through an iterative process between three levels of local government: (i) provincial (strategic investment plans); (ii) district (value chain action plans); and (iii) commune (market-oriented, socio-economic development plans). This reflects the peculiarity of governance structure and policies in Viet Nam, which cannot be generalized to other countries.

141. In the case of the Project to Support Food Security and Development in the Region of Maradi (PASADEM) in Niger, the focus of the design was not on supporting specific commodities but on developing a network of agricultural markets and complementary service infrastructure. This consisted of a network of rural satellite collection centres connected by improved roads to five major secondary wholesale markets, all equipped with warehouses, trading floors, loading platforms

and spaces for farming service providers. This service infrastructure was expected to stimulate the emergence of economic development clusters around the main commodities of the region. Design attention was thus on stimulating the growth of transactions around market and service infrastructure, rather than around specific value chains, which were broadly identified as cereals and staple food-crops (millet, sorghum and cowpea), and higher-value products such as fresh fruits and vegetables, along with export commodities such as sesame and tiger nut.

142. **Number of commodities.** Under both approaches, the number of value chains selected could be low or high. As noted in chapter 1, evaluations by other organizations showed that a high number of value chains could overload implementation. The large majority of value-chain-relevant projects addressed several commodity clusters (a single cluster could easily comprise up to four commodities).⁴⁸ On average, project design considered 3.3 commodity clusters (from a minimum of 1 cluster to a maximum of 8), and 62 per cent of project designs included more than 3 clusters. Different commodities often require different approaches, given variations in product characteristics (e.g. bulkiness, perishability, storage and processing requirements), different market structures and value chain governance, as well as different starting points for value chain development.

143. Overall, the evidence suggests:

- There are benefits from combining a bottom-up process (i.e. “starting from people”) with some limit to the number of commodities. This was easier to do for projects that were built upon a previous intervention (e.g. the Project for Rural Income through Exports [PRICE] in Rwanda, the Agricultural Value Chain Support Project and Extension [PAFA/E] in Senegal, and the Small Business Agriculture Support Project [PAPAC] in Sao Tome and Principe).
- Where project designs included too broad commodity options, without clear principles for narrowing down, this often happened

⁴⁸ In project designs, commodities were not always precisely identified. In its database of the 77 project reviews, this CLE considered these clusters: (i) grains, pulses and tubers; (ii) livestock and poultry; (iii) aquatic products; (iv) horticultural products, tree crops and spices; (v) dairy and eggs; (vi) animal products (honey, wool and silk), hides and skins; (vii) non-wood forest products; and (viii) coffee, tea, cocoa, cotton, rubber, oil and sugar.

because the Government and IFAD did not know the local context well; and/or because it was too early to embark on a fully fledged value chain approach (e.g. Brazil, Mauritania and Mozambique).

- An additional burden is placed on the project management units when the range of commodities is too broad, often causing delays (e.g. Bangladesh and Mauritania).

144. A finding of the CLE review was that **very few project designs included plans for, or were informed by, a structured form of market intelligence**, for example: (i) information on market characteristics (e.g. presence of monopoly/monopsony); (ii) growth in demand and consumer orientations; (iii) price levels and their variability; (iv) initial investments/costs (including for meeting certification standards) that small-scale producers will have to bear; and (v) identification of the functions in the value chain on which the project should concentrate.

145. At the same time, a few successful cases of value chain analysis existed. For example, the design of PASP in Rwanda correctly identified and addressed two key factors for developing staple crops value chains benefiting very poor producers: (i) post-harvest handling; and (ii) cooperative

capacity development. In Senegal, an in-depth participatory process led to the selection of women's crops and approaches to engage with youth, and to the development of highly inclusive value chains. These project designs were based on previous experience in a given area and on specific commodities. IFAD and the government had both helped improve local production systems and acquired knowledge of the area and of the target groups, which could then be capitalized upon through a value chain approach.

146. While value chain analysis done at design was important, **it was essential to update the analysis during project start-up and implementation**, including filling gaps in the original analysis and validating assumptions. Validating value chain analysis is particularly important where there is a substantial delay between design and implementation, as market conditions and opportunities could change rapidly. This calls for capacity to regularly review and amend the design, if necessary, rather than waiting four years for an MTR.

B. Approaches to value chain development

147. Table 7 gives an overview of the proportion of project designs that adopted different

TABLE 7

Number and percentage of reviewed projects that included different aspects of value chain strengthening in design (n = 77)

Value chain segments	Adressed		Not adressed		Not applicable	
	Number	%	Number	%	Number	%
Product and process upgrading	75	97.4	1	1.3	1	1.3
Horizontal linkages	67	87.0	8	10.4	2	2.6
Vertical linkages	61	79.2	14	18.2	2	2.6
Governance mechanisms	51	66.2	24	31.1	2	2.6
Marketing and consumer issues	46	60.0	28	36.3	3	3.8
Functional upgrading	44	57.1	32	41.6	1	1.3
Enabling policy environment	28	36.3	49	63.6	0	0.0
Market information systems	11	14.3	66	85.7	0	0.0

Note: Percentages sum up to 100 horizontally but not vertically as multiple options were allowed.

Source: IFAD data elaborated by IOE.

approaches to value chain strengthening. Product and process upgrading was the most common approach, included in almost all (97 per cent) of the projects. It typically involved providing technical assistance and extension services at the producer level, plus (subsidized) improved seeds, inputs, equipment and/or irrigation systems. It could also involve grants for communities, producer organizations, microenterprises and SMEs to acquire infrastructure and machinery for production, collection, storage and processing. Production upgrading is close to IFAD's traditional production focus.

148. The creation of **horizontal linkages between small-scale producers and other target groups** was the second-most-common area of activity, undertaken in 87 per cent of projects. Activities in this area included group formation, support to legalization processes, organizational strengthening and capacity-building. The latter covered a range of topics including governance, administration of funds and financial literacy, business planning and management, marketing and commercialization. This is an area closer to IFAD's traditional emphasis on community mobilization and interest group set-up. Yet, some projects **struggled with ensuring adequate technical assistance on the more business-related topics**. This was due either to a lack of capacity within the project implementation unit and partner organizations (e.g. the Smallholder Livelihood Development Project in Eastern Indonesia [SOLID] in Indonesia, and ProLPRAF in Mauritania), or because there were difficulties in contracting these services (e.g. the Project for Enhancing the Rural Economic Competitiveness of Yoro [PROMECOM] and the Sustainable Rural Development Programme for the Southern Region [Emprende Sur] in Honduras).

149. In addition, most projects (79.2 per cent) aimed to strengthen **vertical linkages** between producers and buyers (traders, processors, distributors, wholesalers, retailers and exporters). Approaches included:

- investment in market infrastructure to enable direct linkages between producers and buyers and more efficient marketing, such as, secondary wholesale markets and satellite collection centres in Niger, and commodity collection and marketing centres in Bangladesh;
- out-grower schemes and contract farming in which farmers produce specific types of raw material, and buyers typically provide

resources and/or services to farmers (e.g. inputs, training and transport); e.g. in Sri Lanka, horticulture in Bosnia and Herzegovina, and ornamental leaves and coconuts in the Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces (AMD) project in Viet Nam;

- linking producers with public procurement programmes, for example, school feeding or food delivery to poor households in Brazil, and a school milk programme in El Salvador;
 - enabling producers and entrepreneurs to participate in trade fairs and other marketing events to meet potential buyers (e.g. Emprende Sur in Honduras, and the Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province [PDFAZMH] and the Agricultural Development: Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province [PDFAZMT] in Morocco);
 - linking cooperatives to international buyers in niche markets; for example, PAPAC in Sao Tome and Principe supported the development of contractual agreements among coffee, cocoa and pepper cooperatives with fair-trade, organic and biodynamic buyers in Europe.
150. Strengthening vertical linkages is an important element of value chain development, and it is a concern that over 20 per cent of projects did not address it. This happened in projects with a low focus on value chains, where the marketing aspects had not been well thought through (e.g. Brazil, the Tonle Sap Poverty Reduction and Smallholder Development Project [Tonle Sap] in Cambodia, and the GIADP and the Hunan Agricultural and Rural Infrastructure Improvement Project [HARIIP] in China). However, it was occasionally also true of projects with a stronger focus on value chains, such as the Smallholder Horticulture Marketing Programme (SHoMaP) in Kenya and the PDFAZMT in Morocco.
151. **Functional upgrading** (i.e. adding new functions and activities to the target group; see chapter 1, table 1) occurred in 57.1 per cent of projects. One of the strongest examples of this was PRICE in Rwanda, which supported the establishment, staffing and capacity-building of a union of cooperatives processing coffee for export. Many projects missed functional

upgrading as an opportunity for producers to capture more value. For example, the Rural Markets Promotion Programme (PROMER) in Mozambique relied on intermediaries (traders) and agribusinesses for adding value, and it did not attempt to develop the capacity of producers or community members to become involved in anything other than the production of raw materials.

152. **Marketing and consumer issues** were taken into account in only 60 per cent of project designs. This ranged from simply selecting value chains with strong market demand to tailored support enabling producers to meet buyer standards for quality and food safety (e.g. PRICE and PASP in Rwanda, and PAFA/E in Senegal). A few projects supported producers to meet the requirements of **international certification standards** for high-value markets (e.g. coffee and cashew in Emprende Sur in Honduras, and coffee in PRICE in Rwanda), but overall this was not a major focus. Compliance with international standards is often challenging for poorer small producers. Recognizing this, Amanecer Rural in El Salvador partnered with a university to develop a less-demanding organic certification scheme for national markets, to enable producers to take advantage of the growing interest in chemical-free food among the local population. Similarly, PAPAC in Sao Tome and Principe supported the development of a protected geographical indication certification scheme for export crops. These locally developed schemes may be more suited to the reality of small-scale producers than are many international schemes, but they had not progressed sufficiently at the time of the evaluation to draw conclusions.

153. **Market information systems were more the exception than the rule in project design.** They were planned for 11 projects in 8 countries (14.3 per cent of projects).⁴⁹ These systems are important for enhancing transparency, helping producers take informed decisions about when and where to sell their produce and how to manage price and market risks. For example, PROMER in Mozambique and Tonle Sap in Cambodia worked with community radio stations to broadcast information on price, type of products, quantities and locations important to producers and traders, and PASADEM in Niger fed local market price information to the national

market information system run by the Ministry of Trade, Industry and Marketing. The Niger example shows the importance of: (i) market information systems to foster the flow of information between value chain stakeholders, drive changes in the mentality of some of them (notably the traders), and build trust; and (ii) ensuring the institutionalization of, and funding sources for, market information systems, so that they are not overdependent on project funding.

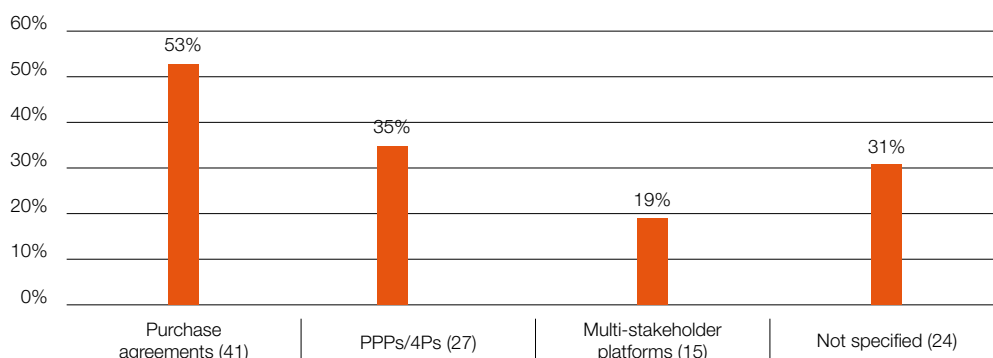
154. The failure to include provisions for market information systems in the value chain design was a gap in 86 per cent of projects, for example, in the ProLPRAF in Mauritania and in the Vegetable Oil Development Project 2 (VODP 2) and National Oil Palm Project (NOPP) in Uganda. There were also projects where attempts to set up such systems failed or did not continue after project completion, due to a combination of lack of expertise, lack of funding, or lack of ownership by public agencies (national or local). In PROMECOM in Honduras, initial progress in developing market information to producers was not sustained when the project ended. Plans in Emprende Sur in Honduras to set up a market intelligence system, including a small unit across the border with El Salvador, were apparently dropped. Similarly, in Kenya, SHoMaP-planned support for mobile phone text message and radio-based systems was not pursued, an online price information system that received funds was not being used by farmers, and bulletin boards in rural markets were not updated after the project ended. This is not just a problem for IFAD. In Bosnia and Herzegovina, there had been several attempts by other agencies to set up market information systems, but all had failed because they were dependent on project funding. Institutionalization appears to be a key factor for effectiveness.⁵⁰

⁵⁰ The most convincing case of a management information system encountered was in Niger. The *Système d'Information de Marchés Agricoles* covers all the major markets in Niger. It collects the price, the quantities and the qualities of various commodities (mainly, grains, pulses, fruits and vegetables). It is an institution with its legal status set up by law, with a budget funded by the Ministry of Trade (out of fees paid for by market operators). The overall system is linked to the *Réseau de Système d'Information de Marché en Afrique de l'Ouest*, which covers West African countries: Burkina Faso, Mali, Mauritania, Niger, Nigeria, Gambia, Guinea, Guinea-Bissau and Senegal. It took almost 30 years to set up the system but it is now well embedded in the trading communities concerned. The sustainability of the system is largely due to its institutionalization: it is a public service. The private sector is a major contributor to the system, as there is a small transaction fee levied on the traded commodities, which makes the system viable. When both farmers and traders contribute, they take ownership of the system. The CLE noted the change in the mentalities this system introduced. It reduced the past incentives for traders to be secretive about trading information and to exploit market knowledge over the farmers in order to reduce purchase prices. It has helped build trust between traders and farmers.

⁴⁹ Tonle Sap in Cambodia; PADFA in Cameroon; DAPRP in China; PROMECOM and Emprende Sur in Honduras; SHoMaP and KCEP-CRAL in Kenya; PROMER in Mozambique; PASADEM and ProDAF in Niger; and PRELNOR in Uganda.

FIGURE 6

Governance mechanisms used in the projects reviewed in depth (n = 77)



Source: IFAD data elaborated by IOE.

C. Value chain governance and private-sector partnerships

155. In two thirds of the projects reviewed, some forms of value chain governance mechanisms were promoted, such as: (i) purchase agreements between producers and buyers; (ii) public-private partnerships (PPPs) or 4Ps; or (iii) multi-stakeholder platforms. A description of each mechanism is provided below. In 27 out of 77 projects (35 per cent) more than one governance mechanism was foreseen. **Purchase agreements were the most common form of governance**, involving 53 per cent of projects, while 35 per cent promoted PPP or 4Ps arrangements (figure 6). Multi-stakeholder platforms were established or supported in 19 per cent of projects. **However, for a third of projects, the form of governance was unclear or not specified at design.**

156. **Purchase agreements** can range from fully defined contracts specifying the quantity, quality and price of goods to be purchased and the terms of trade (timing, delivery and payment terms), to relatively loose or informal agreements that establish a commitment to purchase a particular type of product and the basic terms, but do not specify volumes or prices. For some projects, this meant facilitating agreements between producer groups and buyers, such as between rice seed producers and millers in Tonle Sap in Cambodia, and between enterprise groups in coastal communities and a range of buyers of marine products in the Coastal Community Development Project (CCDP) in Indonesia. In others, individual farmers received inputs on credit from agroprocessors or cooperatives

at the start of the season under a contract that required them to deliver at least enough of their production at the time of harvest to cover the cost of the inputs (e.g. the RLDP and Rural Business Development Project [RBDP] Bosnia and Herzegovina, the NRGP in Ghana, the National Agribusiness Development Programme [NADeP] in Sri Lanka, and the TNSP and AMD in Viet Nam). Other projects enabled producer organizations to better supply clients according to precise requirements for quality and delivery (e.g. coffee, cocoa, cashew and horticulture cooperatives in El Salvador and Honduras, and coconuts and ornamental leaves in Viet Nam).

157. **Public-private partnerships (PPPs)** are agreements between one or more government agencies and one or more private-sector actors to cooperate around a common goal or activity. They can be distinguished from other relationships between the public and private sectors by the joint assumption of risks and responsibilities, and the sharing of resources and competencies.⁵¹ These types of partnerships have been used to stimulate private-sector investment in small-scale agriculture, including through joint ventures and contractual arrangements between businesses and producer organizations.

158. In 2014, IFAD began using the term **public-private-producer partnerships (4Ps)** in its knowledge products to communicate the role of small-scale producers in these arrangements,

⁵¹ Organisation for Economic Co-operation and Development, *Public-Private Partnerships: In pursuit of risk sharing and value for money* (Paris: OECD, 2008).

and IFAD's intent to ensure they are respected partners and not relegated to the receiving end of PPPs⁵². This includes open acknowledgement of the frequent power asymmetries between producers and public and private actors. In practice, the types of partnerships formed did not differ substantially between PPPs in projects designed before 2014 and 4Ps in projects thereafter, and the terms are often used interchangeably.⁵³

159. **PPPs/4Ps were often important for motivating the private sector** to engage with poorer producers and with the public sector, as well as facilitating improved flow of products, finance and information in value chains. They fulfilled a variety of purposes, such as facilitating access to production credit through tripartite arrangements between agribusinesses, banks and producers (NADeP in Sri Lanka, and the VODP in Uganda), joint financing by the project, local government and agribusinesses of seedlings, securing markets and training for producers from supermarkets (Amanecer Rural in El Salvador), and strengthening agribusiness capacity and partnerships with producers (the High Value Agriculture Project in Hill and Mountain Areas [HVAP] and the Improved Seeds for Farmers Programme [ISFP] in Nepal).
160. However, **in many instances, the quality of consultation with the private sector during project design was unclear**. In Cameroon, Honduras and Morocco, linkages with the private sector had been planned but did not materialize, usually because of unrealistic design expectations (coupled with delays at implementation). In Rwanda, PASP struggled to find private entrepreneurs in cereals willing to buy from producer organizations rather than individuals, as they apparently did not trust them, and perhaps also feared a loss of bargaining power. In Sudan, the design of the Seed Development Project (SDP) proposed a PPP for private-sector companies to produce certified seeds through contract farming with seed growers groups. However, the terms of the proposal were unacceptable to any private seed company in the country, because of the request for binding

contracts with local producers and a mistaken assumption about the potential seed market.⁵⁴

161. **Many projects did not address the fundamental questions on the incentives for private entrepreneurs** to collaborate with the project and the obstacles that they could face, such as: (i) the size of the initial investment required (training and machinery) and the recurrent expenses; (ii) the level of revenues, profit margin and risk involved; (iii) the size of the market and the level of competition; and (iv) legal issues (e.g. property rights). This requires engaging with representatives of the private sector, such as industry bodies or individual businesses, which was not done systematically.
162. Fifteen projects in ten countries⁵⁵ (19 per cent of projects) set out to form **multi-stakeholder platforms**. A multi-stakeholder platform is a forum that brings together a range of actors linked to a value chain to develop dialogue between them, with the aim of improving communication, trust and mutual understanding, and in some cases also to establish commercial relationships. The **experience with multi-stakeholder platforms was mixed due to design methodology and contextual factors**. Example of better-established platforms were as follows:
- PASADEM in Niger grouped all stakeholders of a given market in a *Hadin Gwiwa*, a traditional institution for joint decision-making among different interest groups (farmers, traders, wholesalers, traditional and government authorities, etc.); the *Hadin Gwiwa* jointly planned and designed the market facilities to ensure local acceptance and stronger ownership; the secondary wholesale markets are managed by an economic interest group, comprised of elected representatives of all market stakeholders, and the rural assembly markets are managed by the farmer unions.
 - PAFA and PAFA/E in Senegal established three multi-stakeholder platforms in food crop value chains, with a view to supporting their evolution into interprofessional

⁵² Ibid, p. 2.

⁵³ For example, the 2013 summary of IFAD's experience with PPPs (IFAD, *IFAD and Public-Private Partnerships: Selected project experiences* [Rome: IFAD, 2013]) refers to the Northern Rural Growth Programme (NRGP) in Ghana, which established contract farming between farmers groups and aggregators and processors. The same example was subsequently used as one of four case studies in a 2015 analysis of 4Ps: Jodie Thorpe and Mar Maestre, *Brokering Development: Enabling factors for public-private-producer partnerships in agricultural value chains* (Rome: IFAD and IDS, 2015).

⁵⁴ Two of the targeted crops, sesame and groundnut, are self-pollinating, which makes renovation of the seed pool necessary only every ten years or so.

⁵⁵ The RCDP in Bosnia and Herzegovina, PADEE in Cambodia, PADFA in Cameroon, NRGF and GASIP in Ghana, ProLPRAF in Mauritania, PROSUL in Mozambique, HVAP and ISFP in Nepal, PASADEM and ProDAF in Niger, PAFA, PAFA/E and PADAER in Senegal, and PRELNOR in Uganda.

Key points

- Overall, this CLE acknowledges the increased attention in IFAD-funded projects to value chain aspects beyond production in the mid-2000s. This change, albeit incremental, was an important achievement and occurred in a relatively short period.
- While several value-chain projects were derived from traditional production-focused ones, most project designs did not discuss value chain preparedness explicitly and did not question the realism of the time frame of implementation. Few project designs were informed by structured “market intelligence” to guide the identification of the commodities and their relevance to poverty reduction.
- Product and process upgrading as well as strengthening horizontal linkages were the most common areas of project intervention, also because these approaches were closer to those adopted in “traditional” IFAD-funded projects. Establishing or strengthening vertical linkages between producers and buyers was common, but one project out of five missed this approach.
- Functional upgrading, which helps producers capture more value, as well as marketing and consumer issues were taken into account in a smaller majority of projects. This may reflect both the time required to strengthen the production function before addressing other value chain functions, as well as some uncertainty on how to optimize small producers’ benefits.
- Two projects out of three tried to address governance mechanisms. Purchase agreements were the most common (one project out of two), followed by PPPs/4Ps (one project out of three), which helped motivate the private sector to engage with poorer producers and with the public sector, and multi-stakeholder platforms (one project out of five). Many projects designs did not assess the incentives of private entrepreneurs to participate.
- Most rural finance instruments envisaged by the projects were conventional ones rather than value-chain-specific instruments. Financial services did not keep pace with other value chain aspects. This may be due to a mix of incipient value chain status and lack of clarity on the available options.

agricultural associations that formally represent the interests of the value chain to the Government under Senegalese law.

- The NRGF in Ghana formed 57 district value chain committees with representatives from the district agricultural development unit, farmer-based organizations, entrepreneurs (wholesalers and processors), rural banks and facilitating agencies. They enabled better information on prices and market trends (notably for maize). Sixty per cent of the committees formed were functional at completion.
- A predecessor to the AMD in Viet Nam supported the establishment of the Coconut Association in Ben Tre Province, an interprofessional association of producers, processors and traders of coconuts, which is now considered a point of reference for industry standards and, as required, a venue

for dispute resolution, although a limitation is that it can only act within the province.

163. Platforms appeared to function well where there was a tradition of dialogue between stakeholders, such as in Niger and Senegal, but the role of projects in enabling all actors to participate actively was equally important. In both PADFA in Cameroon and the ProLPRAF in Mauritania, there was little progress in establishing multi-stakeholder platforms due to over-ambitious design and a lack of capacity in project implementation teams; but contextual issues were also important. In the case of Mauritania, tensions along ethnic lines undermined dialogue, while Cameroon suffered from weak governance and insecurity. In the case of Honduras, the three IFAD-funded projects reviewed did not engage substantially with the multi-stakeholder roundtables already established by PRONAGRO (the national programme for the development of the

agri-food sector coordinated by the Ministry of Agriculture). Many of these roundtables were in value chains covered by the projects, and for the most part appeared to be functioning well. This seems to be a blind spot in the design of the projects, even though they acknowledged PRONAGRO.

D. Financing value chain development

164. **Conventional rural finance versus financing a value chain.** Conventional rural finance refers to providing financial services through formal, semi-formal and informal institutions to fund the rural sector in a horizontal approach. Instead, value chain finance⁵⁶ refers to a vertical approach that supports, within a specific value chain, the relevant stakeholders by: (i) tailoring financial products to suit the needs of the participants in the chain; (ii) using value chain linkages and knowledge of the chain to mitigate risks to the chain stakeholders and partners; and (iii) through embedded finance involving successive layers of stakeholders in the value chain, providing a large (credit) increase effect. In value chain finance, financial services can be provided by financial institutions as well as by value chain members (for example, a processor providing credit to a farmer as a part of a contract-farming scheme).
165. Within the projects reviewed, **most of the instruments envisaged to support rural finance were conventional ones rather than instruments specific to value chain finance.** The most common instruments are presented below.
166. There were **non-financial instruments to facilitate financial services.** From the “demand side,” this consisted mainly of training smallholder farmers and small rural entrepreneurs, and assisting them in building their creditworthiness in order to make potential clients more “bankable” (e.g. in El Salvador, Honduras, Senegal, Uganda and Viet Nam). From the “supply side,” technical assistance was provided to financial institutions in order to analyse the needs of small-scale producers, familiarize with the tools developed by the microfinance industry, and serve rural clients in a cost-efficient manner and control credit risk, making financial institutions more “farmable” (e.g. in El Salvador, Ghana and Niger).

167. As to **financial instruments**, these typically consisted of:⁵⁷

- Linkage facilitation: fostering collaboration between formal financial institutions (such as banks or financial cooperative) and village-level credit and saving associations (e.g. in Honduras, Niger, Republic of Moldova and Uganda).⁵⁸ This was mainly for very small short-term credit to help purchase inputs.
 - Credit provided by rural finance institutions to small-scale producers, generally short-term, to purchase inputs (and less frequently to finance processors’ or wholesalers’ purchase of raw produce).
 - Matching grants (i.e. subsidies) provided to small-scale producers to reduce the size of the total amount borrowed, thus reducing risks for both borrowers and lenders. This was typically (but not exclusively) for improving equipment or machinery. For example, in the NRG in Ghana, borrowers would contribute 10 per cent to the investment out of their own resources, the matching grant would contribute 30 per cent, and then a loan from a financial institution would cover 60 per cent of the investment.
 - Matching grants were sometimes provided to aggregators, processors or wholesalers as an incentive to partner with small producers and their associations, notably to partially offset costs and reduce the perceived risks (e.g. in Ghana, Republic of Moldova, Rwanda and Viet Nam).
168. As explained in chapter 4, other financial products are emerging but most are at the concept development or piloting stage. Compared with the evolution of other features of project design, value chain financing appears to have lagged behind. Part of the reason for this may be that many value chains are still incipient and that rural finance at IFAD has traditionally focused on the end-beneficiaries. However, in part, this may be related to the lack of familiarity with alternative options and the lack of partnerships with specialized agencies or impact investors.

⁵⁷ In addition to the most common instruments, the CLE came across a guarantee fund scheme in Senegal, funded by the West African Development Bank, in the context of a project cofinanced with IFAD (PROMER II). The fund was meant to reduce credit risk and encourage the financing of SMEs. The scheme was closed in 2016. Relatively few SMEs received financing through this scheme.

⁵⁸ In many cases, before the project, the sources of credit were informal groups, relatives or moneylenders.

⁵⁶ Op. cit., see note 41.

E. Targeting approaches

169. The CLE team analysed the approach to targeting in the 77 projects assessed, including the strategies and measures used to reach target groups (the actual outreach is discussed in chapter 4). Other evaluations conducted by other organizations on the value chain topic (e.g. DEval, 2016) have highlighted the importance of differentiated target group analysis (see chapter 1).
170. IFAD's targeting policy defines the core target group as rural people living in poverty and experiencing food insecurity in developing countries, and who are able to take advantage of the opportunities to be offered (sometimes referred to as the "productive poor" or "active poor"). It recognizes that this encompasses diverse populations, from people with very low incomes or a lack of land and other assets, to those marginalized by their gender, ethnicity or location. In some countries, IFAD works with groups classed as "extreme poor," while in others the extreme poor are considered beyond its reach and more appropriate for targeting by humanitarian organizations. Therefore, IFAD-funded projects define their target populations in accordance with the socio-economic context, and project documents and evaluations reflect this in their analysis of targeting and outreach.
171. The CLE team used the same approach in conducting its own analysis, **differentiating between very poor, poor and better-off rural populations in line with country and project contexts, using a multidimensional definition of poverty**. In a few cases, project documents provided information on target groups using income-based measures and survey data, but most often asset-based indicators (e.g. land operated or livestock owned) or other relevant characteristics of poor and disadvantaged groups were used (e.g. subsistence farmers, asset-less, women, indigenous and minority groups, illiterate, HIV/AIDs affected or disabled, and remote).
172. This CLE also noted that IFAD's targeting policy recognizes that **better-off people sometimes need to be included** – because of economic and market interdependence, to avoid conflict, or to engage them as leaders and innovators. In such cases, the policy requires that the rationale and justification be provided and the risks of excessive benefit capture be monitored. This is particularly relevant to value chains, due to the interdependence of stakeholders.
173. **Targeting strategies**. IFAD's targeting policy suggests selecting from the following measures:
- geographical targeting to focus on areas with high concentrations of poor people or high poverty rates;
 - enabling measures to create and sustain a policy and operational environment favourable to poverty targeting;
 - empowerment and capacity-building to enable active participation of people with less voice and power;
 - self-targeting through provision of services that respond specifically to the priorities, assets and labour capacity of target groups;
 - direct targeting using eligibility criteria to identify specific individuals or households from target groups.
174. Geographical targeting strategies were frequently used, typically focusing on poorer, less-developed or food-insecure regions or districts, or on areas with a high concentration of indigenous peoples. This **geographical approach was sometimes problematic for value chain development, as value chains are not bound by administrative borders**. For example, in Viet Nam, shrimp farmers in the project area (Ben Tre Province) could not be linked directly to processors because the only existing processor was in another province not supported by an IFAD-funded project. In Bosnia and Herzegovina, the most recent projects have switched from only targeting poor municipalities to using a **cluster approach** that groups poor municipalities with wealthier ones in geographical areas offering comparative advantages in markets from an agroecological perspective (for example, for collection of non-timber forest products, or production of horticultural crops at different times of the year from competitor countries). This is a sensible strategy for the development of competitive value chains provided that it is used in combination with strategies to identify poor producers in these areas.
175. The areas selected for projects sometimes also reflected governments' need to ensure that successive projects, or projects implemented by different agencies, were spread across different areas of the country. While this is rational from an equity and political perspective, it challenges a long-term approach to value chain development. Some of the most successful projects were in countries where the same producer organizations

and value chains had been supported over the course of 10-20 years. Conversely, a common limitation to project effectiveness was insufficient time to build the capacity of producer organizations to run viable businesses.

176. A more general issue with the way regions were selected for projects was the **failure to cooperate with neighbouring countries on value chains involving cross-border trade**. Although there were several projects that facilitated cross-border trade (e.g. beans from Honduras, off-season vegetables from Nepal, and cereals from Niger), there were no examples of coordination between IFAD-funded projects to deal with constraints to efficient and pro-poor functioning of value chains on both sides of the border. Given the pivotal role that cross-border trade plays in many of the regions where IFAD works, and in the livelihoods of many target populations, this is considered a missed opportunity.
 177. An alternative targeting strategy, unique to value chain projects, is the **selection of value chains on the basis of how likely they are to bring benefits to poorer producers and other target populations**. In some cases, this was linked to analysis of the land, livestock or capital required for production, such as in Bosnia and Herzegovina, where the raspberry and gherkin value chains were selected as these crops require only very small plots of land. In other cases, it was through a participatory selection process, such as in Senegal and Viet Nam. An alternative strategy, used in both El Salvador and Honduras and in part in the Inclusion of Small-Scale Producers in Value Chains and Market Access Project (PROCAVAL) in Nicaragua, was to include a range of value chains, some of which involved poorer and subsistence farmers (e.g. beans and maize), while others were populated by more commercialized farmers (e.g. speciality coffee, fair-trade and organic certified cashew).
 178. **Self-targeting** relies on participants to “opt in to” (or “opt out of”) project interventions, according to their needs and interests, rather than having interventions pushed upon them. However, in value chain development projects, self-targeting can mean that private enterprises or organizations of better-off small-scale farmers submit business plans for investment either as a pure grant or a matching grant (e.g. in Bosnia and Herzegovina, El Salvador, Honduras, PASP in Rwanda, NADeP in Sri Lanka, and Viet Nam). As per IFAD’s targeting policy, this makes it **necessary to use enabling measures to avoid elite capture and ensure IFAD’s priority groups are reached, and this was not done consistently**. Where enabling
- measures were devised, they took various forms, but often involved a process for approving grants for investment (for producer organizations and private-sector organizations) that included criteria around how priority groups would benefit from the investment, and at what scale. In Viet Nam, this was a competitive process with enterprises required to submit a business plan specifying what type of producers would be involved, why they were poor, and stipulating how many would benefit and how. In Kenya, the targeting strategy of the Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) included establishing partnerships with organizations already operating in target areas and targeting vulnerable groups, linking social protection to microfinance, and supporting rural savings and credit cooperative organizations.
179. In some countries, the risk of elite capture was also mitigated by **empowerment or capacity-building measures**. This particularly concerned Honduras and El Salvador, where producer organizations were assisted to formalize and acquire legal status, as a minimum requirement for receiving grants, and to develop business/ investment plans. However, enabling and empowerment measures were not always in place, or implemented well.
 180. **Direct targeting** was often used in combination with other targeting strategies to identify specific target groups, such as poorer producers or households. For example, in Morocco, the targeting strategy consisted of several steps: (i) the selection of areas that are poor and remote; (ii) the selection of “communes” that are known to be poor, using an extensive poverty-mapping exercise done by the government with technical assistance from the World Bank; and (iii) within the communes, a selection of groups of poor people, typically applying a ceiling on the size of land worked (e.g. no more than 5 ha for olive production, 1 ha for apples).⁵⁹
 181. **There was an inconsistent approach to the inclusion of private-sector operators as a target group in project designs**. While many designs included SMEs and agribusinesses as a target group, others did not name them even where they played a central role in the project. This varied between projects in the same country. For example,
- ⁵⁹ Targeting principles in these projects in Morocco were well established in the case of fruit trees. However, in the case of small ruminants (sheep and goats), there was a minimum (rather than maximum) size of livestock herd for farmers to receive support from the Association Nationale Ovine et Caprine. This principle can result in regressive targeting (i.e. excluding the very poor).

Supporting women's empowerment through value chain design

PASPRU in Burkina Faso focused on supporting and promoting the processing of commodities, which is traditionally women's work. This resulted in 82 per cent of the participating microenterprises being women-managed. Women also constituted the majority of participants in training provided by the project, and the majority of beneficiaries of newly created jobs.

In PAFA/E in Senegal, value chains were selected on the basis of either being crops that women traditionally cultivate (e.g. *bissap* and *niébé*) or food crops over which women have some control. About 60 per cent of PAFA/E participants are women, and in processing they represent almost 100 per cent. Through the project, women are becoming economically empowered through producing more or engaging in processing as members of associations or employees. As a result, they have gained respect within the household and the community. Moreover, a number of cooperatives, unions and multi-stakeholder platforms involved in the project have women in leadership positions, and all the processing enterprises but one are led by women.

Source: CLE country case studies and CSPE Burkina Faso (2018).

in Bosnia and Herzegovina, the design report for the RLDP had rural entrepreneurs and SMEs as target groups, but in the designs for the RBDP and the Rural Competitiveness Development Project (RCDP), they were named only as stakeholders. This may suggest a lack of clarity on whether projects should include as target groups all groups that project benefits will extend to, or only the groups that IFAD ultimately seeks to assist, as per its mandate. It may be related to the contested nature of channelling some project benefits to non-poor groups, even where this is justified by the need to engage with the private sector for the development of pro-poor value chains.

182. **Targeting strategies or project designs were sometimes improved after MTRs identified targeting issues.** For example, in PASP in Rwanda, the introduction of a cost-share model requiring recipients of matching grants to first obtain and pay off a loan from a financial institution meant that the grants were mainly channelled to the private sector. After this was picked up at the MTR, the design was changed to a 4Ps model, which enabled more inclusive targeting. In the RLDP in Bosnia and Herzegovina, the MTR identified insufficient attention to targeting. A pilot project was then carried out in which Oxfam Italia developed an iterative targeting approach to identify candidates for starter packages who collated information from municipalities (social services), producer organizations, community

leaders and household surveys, with follow-up monitoring during implementation.⁶⁰

F. Gender equality and value chain at the design stage

183. The CLE analysed the extent to which project designs integrated the three objectives of IFAD's 2012 policy on gender equality and women's empowerment.⁶¹ Most projects planned a **gender-mainstreaming approach, almost always with targets for women's participation** in project activities. The planned approach usually involved at least some of the following: hiring gender specialists, building the capacity of project implementation teams and government agencies, conducting gender analysis, developing gender action plans and strategies, and gender-sensitive M&E. **However, many did not set out concrete measures for how to reach women.** For example, the Agricultural Support Project (ASP) in Georgia had a minimum target of 30 per cent for women in all categories of project investments, but did not set out modalities for ensuring their participation and representation

⁶⁰ Even using all these sources of information to target poor households, field officers subsequently encountered cases of non-poor households being included during the first round of monitoring. This led to more emphasis on follow-up monitoring during the second planting season.

⁶¹ These were to: (i) promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities; (ii) enable women and men to have equal voice and influence in rural institutions and organizations; and (iii) achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.

Key points

- Geographical targeting was challenging for value chain development, as value chains are not bound by administrative boundaries. Some recent projects have switched to using a cluster approach that groups poor municipalities with wealthier ones in geographical areas/corridors that offer comparative advantages. Unique to value chain projects was the selection of commodities on the basis of how likely they were to bring benefits to poorer producers and other target populations. In the best cases, this was linked to analysis of the land, livestock or capital required for participation.
- Self-targeting in value chain development can mean private enterprises or organizations of better-off farmers submitting business plans for investment. This makes it necessary to use enabling measures to avoid excessive elite capture and ensure IFAD's priority groups are reached. This was not done consistently; however, the CLE documented examples of valid measures.
- Direct targeting existed in many projects to reach specific groups, but the criteria used were not always appropriate for the context. Targeting strategies were sometimes improved after MTRs.
- Most projects planned gender-mainstreaming, but the weakness was in setting out specific measures on how to reach women. Few project designs included strategic actions to address household gender relations, gender-based violence and gender inequalities in access to land.

in local groups and organizations, or include gender-related criteria in the selection of community infrastructure proposals or enterprises. As a result, the project failed to achieve changes in gender inequality.

184. In other projects, women were targeted for specific project activities and benefits, such as group mobilization and organizational strengthening, microenterprise development, leadership and literacy training, vocational training and employment, finance and technology. There were also some projects where **“women-prevalent” value chains** (e.g. food crops, small ruminants, and artisan products) or **functions in the value chains** (e.g. agroprocessing) were selected as a way to channel benefits to women. The CLE considers this an effective strategy for ensuring that project benefits reach women, particularly where it related to the entirety of value chains selected, as was the case in Rural Business Development Services Programme (PASPRU) in Burkina Faso, and PAFA/E in Senegal (see box 1).

185. Most project designs did not include strategic actions to address **household gender relations, gender-based violence** and gender inequalities in **access to land**, all of which can be critical issues for women's involvement in value chains. Exceptions included projects that aimed to use household methodologies, such as, the Gender Action Learning System (Rural Enterprise Programme Phase III [REP III]) and the Ghana Agricultural Sector Investment Programme (GASIP) in Ghana, the Kenya Cereal Enhancement Programme and ASALs - Climate Resilient Agricultural Livelihoods Window (KCEP-CRAL) in Kenya, and the Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors (PROSUL) in Mozambique. There were also a few projects that worked with traditional leaders and landlords to enable women to access land for production (the NRGP in Ghana, and PAFA/E in Senegal).



VIET NAM

Climate-smart tea production area (applying water-saving technology) of Ngan Son tea cooperative, Trung Yen commune, Son Duong district.

4. Operational performance and effectiveness of projects

186. This chapter examines the effectiveness of the value-chain-relevant projects. It first presents an analysis of institutional data on project performance drawn from both self-evaluation and independent evaluation sources. It then reviews specific areas of effectiveness, such as capacity-building and rural financial services, as well as effects on value chain governance, risk management and the enabling environment.

A. Overview of institutional data on implementation performance

187. Many evaluations use “time to project start-up” as an indicator of project efficiency. **On average, there were only minor differences in start-up time between value chain and non-value chain projects.** Between 2007 and 2017, the average lag from approval to entry into force was slightly longer (by about one month) for value-chain-relevant projects than for other projects (table 8), and this difference is not statistically significant. Conversely, the average lag from entry into force to first disbursement was shorter by about two months for value-chain-relevant projects (significant). This suggests that including a component on value chain development made little difference to project start-up.

188. Delays at project start-up and during implementation are frequent challenges for IFAD-funded projects, as highlighted in past

editions of the ARRI, and they are not specific to value chain projects. However, **the CLE identified cases in which the cause of slow start-up was a limited understanding of how to operationalize value chain approaches,** for example, in the Yunnan Agricultural and Rural Improvement Project (YARIP) project in China, PROSUL in Mozambique and the HVAP in Nepal. Demand- and market-driven approaches were not clearly articulated in the project design, nor was training provided to the respective implementation team. The implementation efficiency of a value chain project relies much on the capacity of project management teams to “visualize” and operationalize what the implementation of an inclusive value chain approach entails. In Bosnia and Herzegovina and in El Salvador, the implementation of the value chain approach improved as a result of sequenced projects that built more experienced management teams and collaboration with all stakeholder groups. At the same time, Bosnia and Herzegovina also provided examples where a lack of centralized management and oversight hindered efficiency in project management.

189. High turnover of key project staff (e.g. Ghana and Honduras) also presented challenges for the development of value chain projects. In the case of the NRGIP in Ghana, the absence of a value chain specialist in the project team for nearly two years contributed to the slow implementation of value

TABLE 8

Average lags for value chain and non-value chain projects

	Value chain projects	Non-value chain projects	Δ significance (at 5%)
Average lag from approval to entry into force (months)	7.64 (190)	6.33 (102)	Not significant
Average lag from entry into force to first disbursement (months)	8.64 (190)	10.42 (102)	Significant
Number of observations	190	102	

Source: Prepared by IOE, based on GRIPS (2018).

chain commodity windows. In order to mitigate this situation and provide technical guidance to the project team, IFAD sought support from former technical advisers of GIZ, SNV and USAID.

190. A detailed set of indicators of implementation performance is rated annually for ongoing projects through the **self-assessment system of IFAD** under the PMD, which gathers evidence through project supervision missions.⁶²
191. The entire set of data is presented in annex II, table 1. Data on project management and financial management show that differences between value-chain-relevant and other projects were small and mostly not significant. Differences were close to significant only in the case of “value for money” (the average for value chain projects was lower)⁶³ and “procurement” (the average for value chain projects was higher). The “acceptable disbursement rate,” often used in evaluations as a proxy for implementation pace, received low ratings for both value-chain- and non-value-chain-relevant projects. Similarly, the “coherence between annual work programme and budget and implementation” and “performance of the M&E system” are rated in the moderately unsatisfactory zone.
192. Thus, according to PMD self-assessment data, from an implementation and project management point of view, **value-chain-relevant projects appear to perform at the same level as other projects and suffer from the same delays in implementation.** In both cases, ratings are comprised within a rather narrow band between 3.5 and 4.3 (from moderately unsatisfactory to moderately satisfactory).
193. While implementation delays affected all projects in similar ways, **one of the most immediate negative consequences of late start-**

⁶² There are 27 performance indicators that cover areas such as: (i) development effectiveness and development focus; (ii) sustainability and scaling up; (iii) project management; (iv) financial management and execution; and (v) key supervision and implementation support indicators. In this section, categories (iii) and (iv), the most pertinent to implementation efficiency, are reviewed, and average ratings for value-chain-relevant projects are tested against them for other projects.

⁶³ The PMD definition of value for money is: “a measure of quality that assesses the monetary cost of the resources against the quality and/or the (economic, social and environmental) benefits of those resources used to achieve the project goal. Therefore, the VfM [value for money] is not simply about reducing costs or cutting budgets, but using evaluative reasoning to think carefully about maximizing impact for the lowest cost possible, to ensure that investments in project activities make best use of resources. In supervision, this rating measures how economically project resources and inputs are converted into results. The analysis assesses the cost ratio of inputs/outputs (costs efficiency) in the early stage of a project, before MTR. The focus of analysis shifts to inputs/outcomes cost ratio (costs effectiveness) from MTR onwards”.

ups or implementation delays for value-chain-relevant projects was the limited time available to develop value chain components in order to catch up with the scheduled completion date. The concentration of investments in a shorter period was a challenge to timely coordination of project components around the value chain approach. For example, in several cases, including in Bosnia and Herzegovina, Brazil, Honduras, Mauritania, Morocco and Sri Lanka, rushing projects during their final years of implementation affected both the quality of technical assistance provided to producer organizations and the precision of targeting.

194. **Review of IOE ratings. No outstanding differences in the performance of value-chain-relevant projects evaluated were evident.** The CLE reviewed ratings from project-level evaluations (project completion report validations [PCRVs], project performance evaluations [PPEs], and impact evaluations) for projects approved since 2007. Mean differences were compared between value-chain-relevant and other projects.⁶⁴ Averages are shown in annex II, table 3. For nine criteria (effectiveness, efficiency, sustainability, rural poverty impact, innovation, scaling up, adaptation to climate change, project performance and project overall achievement), average ratings were slightly higher for value chain projects. However, the difference was not significant except for effectiveness and efficiency, where it was only nearly significant. For other criteria (relevance, gender equality, environment and natural resources, and IFAD and government performance), the opposite was true, and differences were only nearly significant for relevance.
195. The following considerations need to be kept in mind. First, the sample size is still small. Second, projects belong to the early generations, where there was arguably less awareness and experience on the value chain topic. Third, and more importantly, evaluations have assessed the full project “package” rather than the value chain portion of the project. Thus, the assessment of value chain components was conflated with the entire project assessment.

B. Specific outcome areas

B.1 Capacity development

196. Among the many capacity development initiatives of projects, the CLE identified activities dedicated to: (i) small-scale producers;

⁶⁴ As of December 2018, there were 27 value chain projects and 35 non-value chain projects approved since 2007 that had evaluation ratings available.

SNV grant activities

An SNV grant supported the establishment of 4Ps and work with government and project staff and with producer organizations. This CLE observed the following activities:

- (i) In Amanecer Rural in El Salvador, the grant supported four producer organizations by establishing 4Ps agreements for the staple crops, dairy, coffee and aquaculture value chains, which showed the potential for long-term agreements with other value chain stakeholders.
- (ii) In PROMER in Mozambique, the grant mainly focused on capacity development for project staff and beneficiaries.
- (iii) In Senegal, the grant supported the development of business plans for microenterprises and for one small enterprise, which enabled progress in the staple crops value chains supported through PAFAVE.
- (iv) In Uganda, the grant helped broker the development of a 4Ps arrangement among stakeholders in the sesame value chain in the West Nile region.
- (v) In Viet Nam, the grant supported the development of business plans, some of which led to linkages in Ben Tre Province between organic coconut producers and a company specialized in processing and exporting coconut milk.

Source: CLE elaboration (2019).

(ii) producer organizations; and (iii) government staff and project managers.

197. **For small producers and microenterprises.**

Most projects included capacity-building on production and post-harvest handling for small-scale producers as a part of product and process upgrading. As noted, this can be considered as deriving from a traditional production focus and an initial step towards value chain development. One area of weakness was **the absence of functional literacy and numeracy classes for small-scale producers**, even where these were foreseen in the design; this despite the fact that the 2012 IFAD gender policy includes literacy among the necessary tools to increase self-confidence, and that literacy, numeracy and financial literacy enable poor small-scale producers to profitably engage in value chains. One exception was the PDFAZMT in Morocco, where functional literacy and numeracy classes were provided to women and were highly appreciated.

198. **For organizations of producers.** This consisted of training on financial management and management of warehouses stocks, negotiation, marketing, business plan development, and leadership. This was provided by the project or national services directly or by external specialists through collaboration with international organizations and NGOs as in Bosnia and

Herzegovina, Ghana, Sao Tome and Principe, and Viet Nam.⁶⁵ In some cases, regional or global grants were mobilized, such as in the case of SNV to develop and test 4Ps' brokering mechanisms in El Salvador, Mozambique, Senegal, Uganda and Viet Nam (box 2).⁶⁶ Other regional grants of interest were allocated to the National Federation of Agricultural Producers from the Republic of Moldova (Agro-inform)⁶⁷ to establish and support horticulture cooperatives in Armenia, Georgia, Kazakhstan and the Republic of Moldova; and to Oxfam Italia in Bosnia and Herzegovina.⁶⁸ Effectiveness was mixed, as expected, given the different contexts, but also the different levels of synergy and synchronization between loan and grant initiatives.

199. Also in the absence of specific grants, capacity-building activities led to diverse results.

⁶⁵ Examples of cooperation with bilateral organizations included: Agence Française de Développement, Belgian cooperation, DFID, GIZ and USAID.

⁶⁶ SNV also contributed as a service provider to other IFAD value-chain-relevant projects, for example, in PADEE in Cambodia, and the HVAP in Nepal.

⁶⁷ The Agro-inform grant supported the establishment and strengthening of new cooperatives in four countries through the analysis and identification of potential value chains, training of members, exchange of experiences and study visits, and financial and fiscal consultancy.

⁶⁸ In Bosnia and Herzegovina, the grant through Oxfam Italia led to the uptake by the RLDP of the LINK methodology for an inclusive value chain development approach.

- In El Salvador, Rwanda, and Sao Tome and Principe, cooperatives supported by IFAD-funded projects obtained a range of certifications for their produce, including Fairtrade, Organic and Rainforest Alliance. This suggests that capacity-building efforts in these cases were effective. In the case of SHoMaP in Kenya and in all the projects reviewed in Morocco, the capacity-building needs assessment had underestimated the challenges for producer organizations to develop sufficient capacity to engage in profitable processing or marketing activities. In Morocco, processing cooperatives (e.g. olives, almonds and milk) were set up towards project completion, and the availability of technical specialists (e.g. in marketing) was limited.
200. Indeed, a key success factor was the **duration of the support provided to the producer organizations**, in particular where the basic competencies and skills were low and illiteracy rates high among members. The producer organizations that were supported for two (or more) project cycles (i.e. a horizon of 10-15 years) showed significantly better capacities to run their businesses, as was the case in El Salvador for the dairy value chain, and in PRICE in Rwanda for the coffee and tea value chains.
201. **Capacity-building for project staff is crucial**, although it was omitted from IFAD's 2012 Private Sector Strategy. Already in 2012, the Country Programme Evaluation in Ghana had warned about the disconnect between the 2006 COSOP focus on value chain development and the different skill sets of project staff, who had spent most of their career in "traditional" productivity improvement projects and had little familiarity with private-sector business.
202. Across the CLE case studies, a frequent observation was that **capacity of project staff had not been addressed systematically** and had been left to the initiative of CPMs. Project staff received technical advice from IFAD consultants during supervision missions (where value chain specialists participated in these). These inputs were useful but of short duration. In some cases, the individual networking skills of CPMs helped forge collaboration with bilateral technical assistance (e.g. Belgian cooperation and DFID in Viet Nam; and GIZ and USAID in Ghana).
203. Value chain technical or marketing specialists were sometimes foreseen in project management units, but in several cases they were hired late, or with unclear terms of reference (e.g. in China, Ghana, Morocco and Republic of Moldova) or simply not hired.
204. A few cases of more systematic efforts have emerged, with the SNV global grant on 4Ps already discussed. APR designed the Scaling Up of Pro-poor Value Chain Programmes grant, with inputs from the PMI/RME, currently under implementation by Helvetas/Hivos in seven countries (Bangladesh, China, India, Indonesia, Lao People's Democratic Republic, Myanmar and Viet Nam). This is based on a "training of trainers" approach. Helvetas first trains national research and organization institutions. The latter then train project staff on value chain approaches. This is an important initiative. However, in Viet Nam, the programme had not yet provided support to project management teams at the time of the CLE visit.⁶⁹ The CLE could not assess the experience in other countries, and acknowledges that this may also be due to the early implementation stage.
205. The TNSP in Viet Nam was one of the few projects that had clearly identified the lack of local government's staff familiarity with market-oriented development as a constraint. An agreement was made with the Trade Promotion and Industrial Extension Center under the Department of Industry and Trade. This entailed a set of training programmes for provincial and district staff, and preparation of operational manuals. It resulted in the issuing and implementing of agribusiness incentive policies, provincial action plans, one-stop-shop enterprise services, and commodity workshops at the district level to link farmer groups with value chain enterprises.
206. Other forms of sensitization and dissemination of experience were: (i) peer-to-peer visits by a former project director in Senegal to other projects in Madagascar and Mauritania; (ii) discussion sessions during the regional portfolio workshop (e.g. WCA-Mauritania in 2018, and APR-Indonesia in 2015); and (iii) activities tied to the Procasur grants that promote South-South cooperation and can, where there is demand, be dedicated to value chains (some examples were found in Senegal). Continuity, as opposed to having a one-off initiative, appeared to be crucial for effectiveness.
207. **In short**, there was a widespread skill gap, and strong demand for capacity-building from project staff members. The instruments and

⁶⁹ While trainers were formed in the Center for Agrarian Systems Research and Development, no provision had yet been made on when, where and how they would provide training to project staff (this would also require allocating budget from the provincial governments).

TABLE 9

IFAD and project staff perceptions on the support provided by IFAD to building capacity on pro-poor value chain approaches

	Average IFAD staff	Average project staff	P value
IFAD provides adequate support to the capacity of governments on pro-poor value chain development	3.9 (moderately agree)	4.7 (agree)	0.0001***
IFAD provides adequate support to the capacity of project management units on pro-poor value chain development	4.1 (moderately agree)	4.7 (agree)	0.001***
IFAD provides adequate support to the capacity of service providers on pro-poor value chain development	3.7 (moderately disagree)	4.3 (agree)	0.03**
Number of respondents	71	125	

** Difference is significant at 5%; *** difference is significant at 1%.

Ratings: 1 = firmly disagree; 2 = disagree; 3 = moderately disagree; 4 = moderately agree; 5 = agree; 6 = firmly agree.

Source: CLE e-survey (2018).

partnership opportunities to improve capacity exist, but in many cases they have not been set out in a coordinated and systematic manner and sometimes not well synchronized with project activities.

208. **Few cases have been observed of initiatives dedicated to building the capacity of local small-scale service providers.**⁷⁰ Provision on a routine basis of inputs and services (such as equipment maintenance, advice on the use of inputs, and marketing services) is in demand among small producers, micro enterprises, small businesses and producer organizations. While a project may subsidize the provision of these types of services for a limited period, they need to be available on a permanent basis, ideally on a cost-recovery basis. For many young farmers and small entrepreneurs in rural areas, this may be a source of business. However, this aspect was not a focus item in most projects visited. One of the few exceptions was the model of “groupes/cooperatives de métier” in the PDFAZMH in Morocco. Here, the project organized and trained groups of youth, often suffering from precarious access to land, to form service cooperatives helping medium-sized and larger farmers manage fruit trees (e.g. pruning, trimming and thinning) and with the harvest. These were found to be

profitable activities for the cooperatives, with increases in crop yields and quality also reported.⁷¹

209. **Perception of IFAD staff and project managers.** The CLE e-survey included questions on the perceptions about capacity development support to government staff, project staff and service providers (table 9). Similar to the patterns already observed, project staff gave positive responses – they agreed that IFAD provided adequate support to build the capacity of government and project teams. IFAD staff members were less convinced (their ratings were significantly lower).
210. Despite these positive responses, this CLE found considerable room for improving support to the capacity of producer organizations, project staff and local service providers. Few projects fully acknowledged the need for capacity-building of government staff or set out to address the issue in a coordinated manner.
- B.2 Rural finance support to value chains**
211. According to the CLE country case studies, **community-level informal groups, savings and credit cooperatives and some microfinance**

⁷⁰ The conceptual scheme in figure 1 highlights the importance of service providers for value chain development.

⁷¹ In the PDFAZMH in Morocco, the Provincial Directorate for Agriculture helped the groupes de métier with training and marketing activities. In another project in Taza Province, a small group of women were also trained in agricultural service techniques but did not receive support in marketing and advertising, and the group was not functional.

- institutions were the most prevalent source of credit and savings services.** In some cases, as in Cambodia, they were assisted by mobile field agents to support recordkeeping and accounting. Grass-roots savings and credit groups were functional even where other more formal rural finance channels had not been performing. This was the case in Mozambique, where the establishment of accumulative savings and credit associations allowed small-scale producers to access financial services even where formal financial institutions were not reaching them. Traditional microfinance loans were also offered to microenterprises by microfinance institutions, refinanced by IFAD loans (such as in Bangladesh via a second-tier public-sector financial institution) or by provincial government financial institutions, such as the Women's Development Fund in Viet Nam. The main limitations were that: (i) loans were very small in size and only allowed the financing of short-term capital for simple productive activities (e.g. poultry or stocks for small shops); (ii) loan portfolio growth was slow; and (iii) these schemes relied on the support of project subsidies, threatening the sustainability of benefits.
212. In some cases, it was expected that a project working on value chain development would receive support from another IFAD-funded "ancillary" project specializing in rural finance services. Despite good intentions, **synergy with ancillary rural finance projects rarely materialized.** In Ghana, the Rural and Agricultural Finance Programme (RAFIP, a specialized rural finance national programme) provided training to some rural finance institutions but did little to help them introduce new products for agriculture financing or to increase their portfolio in more marginal rural areas (beyond the cocoa production zones). Similarly, in Mozambique, a rural finance programme ran into performance problems and could not support the other projects in the portfolio. In Cameroon, the specialized Rural Microfinance Development Support Project (PADMIR) did not link with other projects, unlike as expected at design.
213. **The experience in financing SMEs and cooperatives and producer organizations was mixed at best.** This comprised the provision of: (i) short-term loans to SMEs and cooperatives so that they could purchase produce from farmers (e.g. for processing); and (ii) medium- and long-term loans for investments, such as for upgrading machinery and factory infrastructure.
214. One of the better performing examples was in the Rural Financial Services and Agribusiness Development Project (RFSADP) in the Republic of Moldova, where both the above products were offered. In particular short-term capital, coupled with grants, was provided to young entrepreneurs for start-up enterprises. Medium-term credit was provided to existing SMEs. In order to facilitate this, IFAD-funded projects provided **subsidized credit lines to the participating banks** that depended on IFAD's funding, as they could not finance medium- and long-term credit from other sources (due to national policies on the maturity of their liabilities) – and this threatened these schemes after project closure.
215. In many other cases, the financing of SMEs and cooperatives was problematic. In Rwanda, producer cooperatives struggled to gain access to affordable **medium- and long-term credit** from commercial banks, financial institutions and savings and credit cooperatives, which all charged an annual interest rate in the range of 15-21 per cent (in local currency), too high for the project-supported cooperatives.⁷²
216. The limited access of producer organizations and cooperatives to **working capital** was a serious constraint. Where these organizations could not offer prompt cash payment to their members, this created strong incentives for side-selling. In turn, this meant that the cooperatives could not meet buyer requirements for volumes, or could only use a fraction of their plant capacity and incurred losses. The following factors were observed: (i) from the lender's (supply) side, part of the problem was the risk aversion of banks in dealing with agricultural credit, thus placing onerous administrative requirements and not investing in outreach in rural areas;⁷³ (ii) from the demand side, there were often problems with small profit margins where cooperatives and producer organizations were not mastering production and marketing processes; and (iii) there were common problems of lack of information on both the lender and borrower's side, and projects were not addressing these gaps systematically.

⁷² Interest rates depend on the cost of providing loans, monetary policies, inflation, perceived lending risks, the level of competition, and the level of demand for borrowing. Considering interest rates as "high" or "low" depends, inter alia, on the profitability margins of the economic activity that the loans are supporting. If margins are "sufficiently high," then a high interest rate may be affordable. Many cooperatives or producer organizations had thin profit margins.

⁷³ For example, in El Salvador, producer organizations could access loans from banks for certain cash crops linked to exports (e.g. coffee). However, for other agricultural products, producer organizations struggled with interest rates (even rates of 9-10 per cent for short-term loans in local currency were considered high) and even more with heavy administrative and collateral requirements.

Value chain financing examples recorded by the CLE outside IFAD-funded projects

- **Commodity levy.** This is a levy paid by members of a rainfed-rice interprofessional value chain association in Senegal to provide funding for activities such as agronomic research and technical assistance to farmers, the regulatory board for the establishment of rules and regulations within the chains well as a dispute mitigation process and a market information system.
- **Embedded finance credit scheme.** Under this scheme, banking institutions provide loans to distributors and retailers, the latter refinance wholesalers that in turn refinance producer organizations. A loan to a retailing company thus has a “multiplier cascading effect” on financing upstream value chain stakeholders. An initial experience of this type was in Senegal: the Union des Institutions Mutualistes Communautaires d’Epargne et de Crédit in cooperation with Rabobank had shifted to financing input suppliers and manufacturers, which in turn finance organizations of producers of commodities such as tomatoes, onion and *niébé*. This was not an IFAD-led initiative although the Union received support from a guarantee fund set up by the West African Development Bank in a project cofinanced with IFAD (PROMER II).

Source: CLE country visit (2018).

217. **Matching grants were a widespread instrument with a variable track record.** In the case of matching grants for end-borrowers, a recurrent flaw in this scheme (e.g. in Ghana and Rwanda) appeared where the grant was released by an entity other than the bank providing the loan. Where the borrower had to first obtain a loan and then apply for a grant, there was a risk that the grant would not be approved or only be approved with considerable delay. In such cases, the investment could not be completed but the loan had to be repaid, causing problems in meeting the loan instalments. The situation was resolved in some cases by reversing the sequence (i.e. first the grant, and then the loan).

218. Grants were also approved to **encourage entrepreneurs to partner with small-scale producers.** In Viet Nam, these grants were assigned through a competitive process and, inter alia, applicants were to prove in what way the partnership would benefit poor producers and how many of these would participate. In addition to project authorities, IFAD’s country office was also engaged in reviewing the applications. This CLE found that this type of conditionality helped maintain poverty focus. In other cases, less rigorous application of assignment criteria for matching grants led to more limited uptake by entrepreneurs and mis-targeting (e.g. in Mozambique, and in NADeP in Sri Lanka).

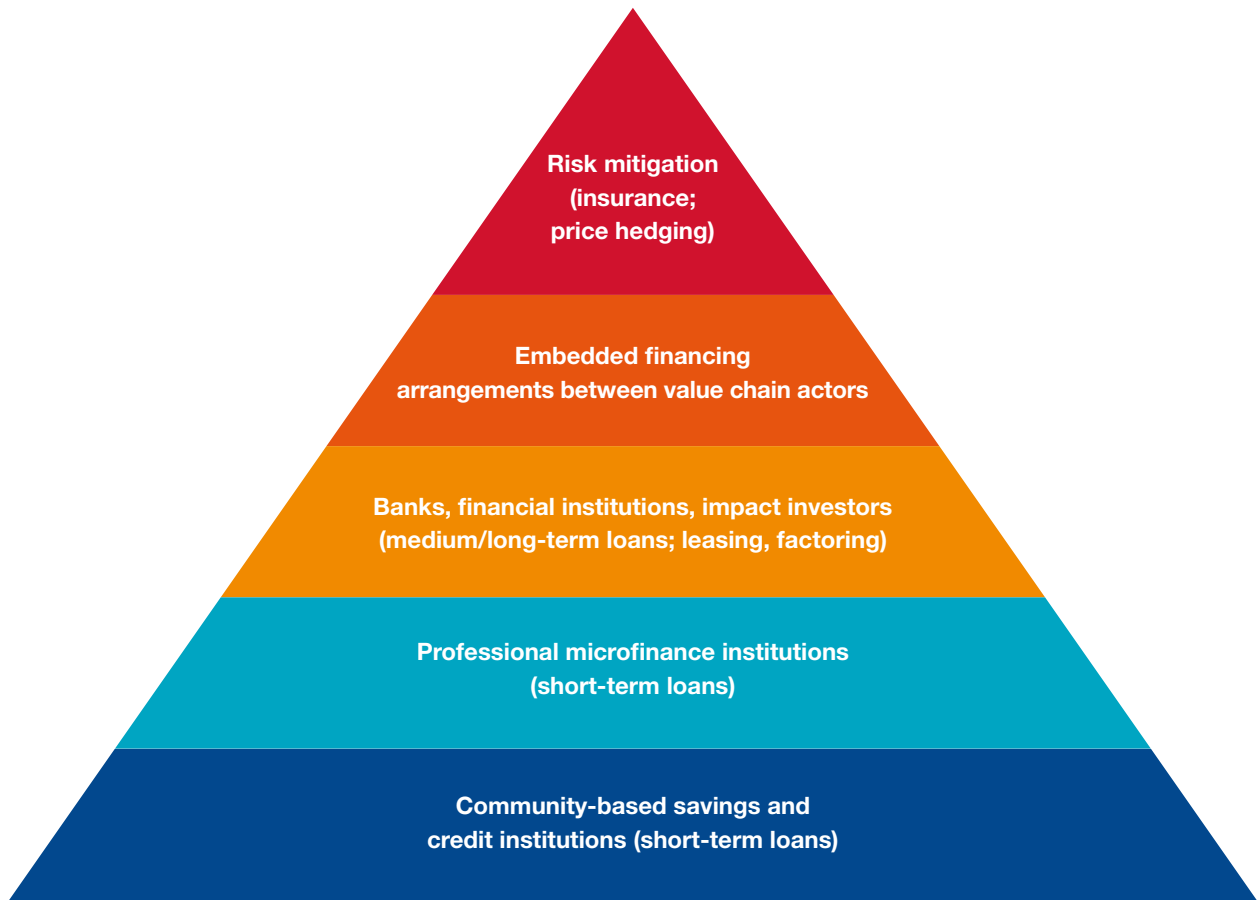
219. **Financial agreements between value chain stakeholders have been observed,**

sometimes facilitated by IFAD-funded projects. In Bosnia and Herzegovina, financing agreements for inputs existed between producers and buyers of several commodities (e.g. berries, gherkins and greenhouse vegetables) as part of contract farming arrangements. Similarly, in Sao Tome and Principe, cocoa cooperatives received pre-financing for organic fertilizers through an agreement with buyers for the export market. In Viet Nam, fertilizers and pesticides for maize and for the production of ornamental leaves were prepaid to farmers by entrepreneurs, and their cost was embedded in the agreed price paid for the final produce.

220. In Ghana, the NRGP promoted the cashless credit system (for the maize value chain).⁷⁴ This system was to improve the transparency of financial transactions between input dealers, farmers and buyers. It required all parties to hold accounts at the same rural bank. When the bank provided credit to farmers for the purchase of inputs, the loan proceeding was deposited on the bank account of input dealers. When farmers sold their produce, funds would be transferred from the buyers’ bank account to the farmers’. Reportedly, this encouraged 24 rural banks, previously reluctant to lend to

⁷⁴ Another example, outside IFAD-funded projects, was in Honduras, where a public-private initiative known as Honduras Recursos Para Mi Tierra involved one of the two main supermarkets, a private bank and a foundation in a scheme to provide working capital to horticulture producers on the basis of guaranteed purchases by the supermarket and technical assistance from the foundation.

Range of financial instruments observed by the corporate-level evaluation



Source: CLE elaboration (2019).

smallholder farmers, to finance these simple upstream and downstream transactions.

221. During country visits and documentation review, the CLE found other forms of financial tools that were **more directly linked to value chain development. Some were at an early stage of piloting, and some of these were not part of IFAD-funded projects.** These were:

- Warehouse receipts/inventory credit (“warrantage”), where the commodity stored by producers in a warehouse serves as collateral in order to obtain a loan. This enables farmers to wait before selling their produce rather than doing so immediately after harvest when prices are low. This was observed in Niger (World Bank funding) outside the IFAD portfolio. Initial proposals to introduce warehouse receipts through IFAD-funded projects were also reported in Cameroon and possibly Senegal. However, this still exposed farmers to price risks, particularly in the case of a bumper harvest or low international prices.
- Microfactoring, whereby an enterprise (e.g. a wholesaler) sells its rights to account receivables to another entity (typically, a financial institution) at a discount factor, in exchange for immediate payment. Microfactoring was piloted in El Salvador by an IFAD-funded project. If it performed well, it would eliminate the 30-day delay that buyers take to pay to farmers.
- Microleasing to facilitate the acquisition of equipment for an entrepreneur or a cooperative (e.g. a processing machine). The indirect but important advantage for small-scale producers is that demand for their produce would increase. Initial pilots were reported for El Salvador and Ghana.⁷⁵

⁷⁵ Past evaluations in Georgia found limited demand for this product, also due to competition from subsidies for agricultural machinery provided by other development programmes.

222. Examples of **advanced forms of financing within the value chain were observed largely outside the IFAD portfolio**. These (commodity levy and embedded financing) are briefly presented in box 3 as an example of what could be pursued in the future.

223. While IFAD loans are approved for governments and only through governments, IFAD has traditionally supported SMEs, and **new instruments are now being tested to serve directly the lower-middle tier of value chain stakeholders**. These initiatives respond to real needs but are at an infant stage of implementation, and the prospects for breaking even have yet to be demonstrated.⁷⁶ The CLE on IFAD's financial architecture (2018) noted that, before engaging directly in quasi-retail lending, IFAD could opt for partnering with and learning from the experience of impact investors and from specialized international agencies, such as the Netherlands Development Finance Company. This company lends exclusively to non-sovereign entities, and is striving to reach middle-lower segment of the finance market, including agricultural value chains. Other instruments with IFAD involvement are:

- Non-sovereign lending. IFAD has promoted the establishment of a new company, the Agri-Business Capital Fund, with supplementary funding from the European Union and Luxembourg. Launched in February 2019, this impact investment fund will provide wholesale loans to microfinance institutions as well as retail credit to individual enterprises in developing countries. IFAD will have a seat on the fund's board in what will be the first case of (indirect) IFAD support to non-sovereign lending.
- Equity investment fund. The Small and Medium Agribusiness Development Fund in Uganda is financed by the European Union and supervised by IFAD. It provides a mix of capital and debt funding to small and medium-sized agribusinesses. Operations started in 2017; as of November 2018, five companies (a laboratory and inspection company and others processing

coffee, eggs, moringa and soybean) received support and were expected to create linkages with 4,700 farmers and generate 230 jobs. The experience is still at the beginning and it is not clear whether these farmers are also end-clients of projects funded via IFAD sovereign loans.

224. **In sum**, as shown in figure 7, the CLE predominantly observed traditional rural finance approaches mostly focusing on primary producers (bottom of the pyramid). It found examples of more advanced rural value-chain-focused financial instruments, mostly at the pilot stage, and not always IFAD-funded. Financing constraints to producer organizations and companies had the effect of reducing demand for small producer's goods.

C. Value chain performance

C.1 Governance and pro-poor outcomes

225. As briefly presented in chapter 1, the concept of value chain governance is about the norms and rules for business interactions and how to deal with other issues of common concern, such as those relating to sustainability, and who has the power and the ability to exert control in the chain.⁷⁷

226. Many of the value chains supported by IFAD-funded projects can be characterized as **buyer-driven value chains**.⁷⁸ In these, suppliers work to the parameters set by "lead firms." These parameters may include strict requirements for quality, quantity, delivery and terms of payment (with penalties for non-compliance), as well as standards relating to sanitary and phytosanitary controls, and the social and environmental conditions under which goods are produced.

227. The IFAD-supported projects assessed involved buyer-driven chains in Bosnia and Herzegovina, El Salvador, Georgia, Honduras, Republic of

⁷⁶ A survey of impact investors carried out in September 2017 in the context of the CLE on IFAD's financial architecture found that impact investors had non-performing loans ranging between 3 per cent and 36 per cent. Of the 12 impact investors interviewed, only 2 were making a small profit. The others were incurring losses. Investing solely in agriculture was not deemed to be financially sustainable, as revenues were not covering costs. Losses were related to weather, poor corporate governance and weak management. Few of the clients produced reliable monthly/quarterly reports or financial statements.

⁷⁷ Summarized from GIZ's manual on value chain development: Springer-Heinze, op. cit., see note 12; and the USAID-funded MarketLinks website: <https://www.marketlinks.org/good-practice-center/value-chain-wiki/value-chain-governance-overview>.

⁷⁸ See Thomas Reardon, *The Global Rise and Impact of Supermarkets: An international perspective*, Conference paper for: The Supermarket Revolution in Food: Good, Bad or Ugly for the World's Farmers, Consumers and Retailers?, Crawford Fund for International Agricultural Research, Canberra, Australia, 14-16 August 2011 (2011); Reena das Nair and Shingie Chisro-Dube, *Growth and Strategies of Large, Lead Firms-Supermarkets*, CCRED Working Paper No. 8/2017 (Johannesburg: Centre for Competition, Regulation and Economic Development, 2017); Stephanie Barrientos, Peter Knorringer, Barbara Evers, Margareet Visser and Maggie Opondo, "Shifting regional dynamics of global value chains: Implications for economic and social upgrading in African horticulture," *Environment and Planning A: Economy and Space* 48, no. 7 (2016): 1266-1283.

Moldova, Rwanda, Sao Tome and Principe, Sri Lanka and Viet Nam. For these chains, the perspectives of end-buyers and other dominant value chain stakeholders were critical for determining how the chain was governed, including which producers participated, and the benefits associated with participation. Agribusinesses often had a strategic interest in long-term sourcing from the same small-scale producers, particularly once they had invested in building the capacity of producers to meet market requirements, and where there was competition for supply.

228. For example, in export horticulture (berries and gherkins) value chains in Bosnia and Herzegovina, agribusinesses⁷⁹ formed long-term relationships with producers in order to have a consistent supply of produce that met the requirements of buyers in European markets. The 4Ps arrangements introduced by the projects enabled more small-scale producers to be part of these chains, including poorer producers once targeting strategies had been improved. **This brought benefits in terms of access to knowledge and resources, and more secure markets and income, but did not substantially alter the way the chain was governed**, as contract farming was already common, producers continued to have a weak bargaining position relative to agribusinesses, and buyers in end-markets still set the standards for market entry.
229. In NADeP in Sri Lanka, the opportunity to achieve productivity and quality improvements was an important motivating factor for agribusinesses to engage in 4Ps arrangements with farmers. However, this did not substantially change the contractual arrangements in the chain, particularly as agribusinesses mostly selected their existing suppliers to participate.
230. **Value chains involving “ethical markets” exhibited more collaborative forms of governance** between producers and buyers. This was mostly due to the way buyers conducted their business in principle, but in the case of fair-trade certification was also codified in standards that establish rules for the terms of trade, including requirements for buyers to provide suppliers with finance, and minimum prices to

protect against market volatility. In Rwanda and Sao Tome and Principe, IFAD-supported projects played a fundamental role in establishing these value chains and had a direct influence on how they were governed, including through the use of PPP/4Ps agreements. For fair-trade- and organic-certified producer organizations in El Salvador and Honduras, grants and technical support provided by projects improved their position in these markets but did not directly affect the form of governance.

231. **In more market-driven chains, some IFAD-supported projects have enhanced producers’ ability to negotiate with buyers.** For example, the National Agricultural Technology Project (NATP) in Bangladesh has achieved this by investing in collection and marketing centres, which are spaces where producers and traders now meet and negotiate. Reportedly, this has resulted in prices that are 10-15 per cent higher than they would otherwise have received. Emprende Sur in Honduras and PASP in Rwanda had some success in organizing maize and bean producers and enabling them to collect and store their crop. This means it can be sold when prices are higher, rather than straight after harvest when they reach a seasonal low point. More generally, **enabling producers to sell directly to processors and distributors rather than through intermediaries** was a key strategy used in both El Salvador and Honduras to improve the position of producers in the value chain. However, as mentioned above, achievements in this area were sometimes undermined by producer organizations’ inability to pay member-producers immediately.
232. **More far-reaching results** in terms of changes in governance were found in the projects **where multi-stakeholder platforms had been established and worked well**, namely: the HVAP and ISFP in Nepal, PASADEM in Niger, PAFA/E in Senegal and, to some extent, the NRGP in Ghana. These projects mostly involved relatively short value chains for local, national or cross-border markets in which market requirements were less demanding – but from which small-scale producers had previously been excluded or disadvantaged by a lack of access to infrastructure, information, knowledge and resources, as well as asymmetries in power with buyers. The platforms created linkages between producers and other value chain stakeholders, and opened up space for dialogue and coordination around input supply, market infrastructure, market information and dispute resolution. In the case of Nepal, the platforms also dealt with price-setting, with

⁷⁹ In the case of Bosnia and Herzegovina, this includes most agricultural cooperatives, as they are usually formed by a small number of producers or entrepreneurs (by law, the minimum requirement is five people) who buy from a network of “cooperants,” i.e. individual farmers.

Value addition in the cashew value chain in El Salvador

The Association of Organic Agroindustrial Producers of El Salvador (APRAINORES) is an association of producers growing, processing and commercializing cashew to fair-trade and organic markets in France and the United States of America. The IFAD-funded project Amanecer Rural provided support through investments in technology (solar panels), equipment (a machine to process cashews) and agricultural production (trees and technical assistance). As a result, production volumes grew by 20 per cent, with the number of members increasing from 52 to 80 (45 per cent of them women), and processing costs were reduced by 10 per cent. The processing plant now provides 66 permanent jobs for people in the area, 80 per cent of which are held by women. The project Amanecer Rural has also enabled APRAINORES to lend money to a women's committee to start a small shop, bakery and cheese production enterprise, and to a youth committee to set up a tree nursery and organic fertilizer plant (providing work for eight young people). The association has received technical assistance to develop a strategic plan and to implement recommendations from auditors, achieving certification standards. As part of the strategic plan, it is in the process of diversifying into cocoa and dried fruits, and developing local markets for packaged products.

Source: CLE country visit (2018).

reportedly positive results for farmers. In 2018, cereal seed farmers involved in the ISFP were able to negotiate rates closer to the reference rate of the national seed company than in the surrounding districts. This represents a shift from **market-based governance to more relational governance**. This shift was complemented by project interventions and PPP/4Ps agreements, which strengthened the vertical linkages, addressed barriers to inclusion for poorer producers, and enabled improvements in productivity and efficiency.

233. However, it is **unclear to what extent these platforms and partnerships have built trust and mitigated the power dynamics** that derive from the economic, social and cultural systems in which the value chains are embedded, particularly as producers are mostly still just providers of raw materials. Although building on existing institutions is important for acceptability and sustainability, platforms and partnerships can also reinforce existing forms of inequality unless adequate measures are taken to tackle them. Even in PAFA/E in Senegal, which had a fully participatory design and was considered one of the most successful projects, the evaluation found risks of producers or buyers not respecting their contractual obligations, and the management of the incipient interprofessional associations was still quite weak. As noted above, several other projects have faced challenges with multi-stakeholder platforms in contexts where social

hierarchies are strong or tensions exist (e.g. in Bosnia and Herzegovina, Cameroon, Mauritania and Nepal). For IFAD to have a sustainable, pro-poor impact on value chain governance through platforms and other governance mechanisms, it is important that projects more explicitly analyse and deal with the power dynamics involved.

234. In the Revitalizing the Sudan Gum Arabic Production and Marketing Project (Gum Arabic) in Sudan and the VODP in Uganda, **new governance systems were established** for the gum Arabic and oil-palm value chains, respectively. In Sudan, producer groups received technical assistance to improve their production and primary processing capacity as well as on marketing and financial management skills in the context of the newly liberalized market (which project-led policy dialogue had brought about), and competition between buyers pushed farm-gate prices up (e.g. from 510 Sudanese pounds per *kantar* [a unit equivalent to about 50 kg] in 2012 to 700 Sudanese pounds per *kantar* in 2013). However, there is no information on whether producers were enabled to negotiate with buyers, nor on their level of involvement in the new Gum Arabic Board.

235. In the VODP in Uganda an oil-palm value chain was developed in the south of the country in partnership with a private investor. This involved setting up two new institutions: the Kalangala Oil Palm Growers Trust, which is responsible

for providing inputs, technical assistance and marketing services to farmers using an out-grower model, and the Kalangala Oil Palm Growers Association, which is the representative body for farmers. A consensus has emerged on the need to strengthen the farmers' ownership of the growers trust, while preserving its high-quality professional management, although the way to implement this is not yet clear.

C.2 Innovative solutions to value chain performance

236. Multi-stakeholder platforms and PPPs/4Ps were examples of institutional innovations.

The conceptual scheme of value chain systems presented in chapter 1 stressed the importance of flows of information, financial resources and goods among the different segments and stakeholders in a value chain. Platforms and PPPs/4Ps can facilitate these exchanges. In a more "mature" value chain environment, they can evolve towards interprofessional associations with delegated authority to represent and regulate the subsector.

237. Many of the innovations observed by the CLE related to production improvement. Those that were related to value chain development can be categorized as follows:

- The introduction of value chains for non-traditional (or newly introduced) products, such as in the GIADP in China, and in Rwanda and Viet Nam; also new ways of marketing traditional products were developed, for example in Morocco with the piloting of e-commerce of sheep for the Eid al-Adha festivity; and in addition to improvements in the quality of produce that led to various certifications, IFAD also supported the development of a participatory organic certification scheme in El Salvador.
- Support to production and processing. For example: (i) in Ghana, the Rural Technology Facilities in Ghana, which are public extension centres for technology for microenterprises and small businesses (cooking, crushing, and other types of transformation); and (ii) in Rwanda, post-harvest handling techniques and equipment, e.g. solar bubble dryers and tarpaulins.
- Support to business plan development and marketing. This included: (i) in Indonesia, the establishment of district-level infrastructure for market access, such as processing and storage centres, which were managed by community institutions and

cooperatives in some cases; and the creation of WhatsApp groups for monitoring market prices; (ii) in Niger, the establishment of economic development clusters; and (iii) in Rwanda, the establishment of a union of cooperatives for direct coffee marketing on the international market.

238. Overall, the projects reviewed were generally making efforts to introduce new organizational approaches, and sometimes technology, for value chain development. However, the CLE noted that projects made **little progress overall at introducing innovations such as market information systems and more in general information and communication technology** that could significantly help in enhancing transparency and fairness of transactions, such as following the price trends, and making decisions on which crops to plant, when to sell them and on what markets. Of the 11 attempts observed (out of 77 projects) to introduce market information systems, about half failed or could not be continued after project closure.

C.3 Distribution of value

239. Out of the 77 projects reviewed, for 32 **there were indications that small-scale producers have been able to capture more value from value chains**, although information and data were fragmented. This has happened **through various mechanisms**: (i) supporting small-scale producers to improve productivity and quality and to add value through post-harvest processing; (ii) building their capacity to market collectively rather than individually; (iii) helping them switch to higher-value products; (iv) linking them more directly to buyers; and (v) creating multi-stakeholder platforms for dialogue and price-setting. For example, in the HVAP in Nepal, the construction of goat collection centres decreased costs for traders and increased farmers' selling price by 25 per cent. Box 4 further illustrates a case of value addition in El Salvador.

240. Another approach to enabling producers to capture greater value in the chain was to support the **development of cooperative unions**, a form of vertical integration. This has occurred in four of the assessed projects: the Rural Development and Modernization Project for the Central and Paracentral Regions (PRODEMOR CENTRAL) and Amanecer Rural in El Salvador; PRICE in Rwanda; and PAFA/E in Senegal.⁸⁰ For example,

⁸⁰ A cooperative union for honey production and packaging was also planned in the PDFAZMT in Morocco.

in El Salvador, a cooperative union (Ganadera del Norte) was formed in 2010 by 16 dairy producer associations in order to sell their milk collectively. IFAD-support projects have provided funding for infrastructure and improvements in production. Ninety percent of the cooperative's milk goes to the government's Glass of Milk programme for schools. This provides the members with a stable price year-round that is higher than they can achieve individually (US\$0.43 per bottle, compared with between US\$0.15 and US\$0.40 per bottle on informal markets, depending on the season).

241. In Rwanda, PRICE established a union of cooperatives for coffee marketing that decreased the income otherwise "lost" to intermediaries and enabled access to certifications for speciality coffee that pay premiums specifically intended for farmers (e.g. fair-trade certification). This kind of support was not possible for the tea value chain because exports remained mainly directed to Mombasa auctions, where quality and certifications do not allow a premium price and a better share in the value distribution for small-scale producers. Instead, PRICE planned to provide matching grants for tea growers cooperatives to buy equity shares in a tea factory, representing another form of vertical integration for producer organizations, although this had not yet happened at the time of the CLE visit.⁸¹
242. However, there was a **lack of solid, multi-year data on the costs, benefits and risks associated with different markets and marketing arrangements**. For example, in the RLDP in Bosnia and Herzegovina, contract farming was initially very profitable for raspberry producers, with prices reaching a peak of BAM 3.50 per kilogram in 2015. However, the high price was driven by low production in Poland that year, due to drought. In 2016, the price dropped by about 20 per cent, as production began to outstrip demand in the region, and then in 2017 it dropped to just BAM 1.50 per kilogram as buyers were still sitting on stocks of frozen raspberries from the previous year. Many farmers did not even bother harvesting their crop, as it was not worth the cost of paying seasonal labour to do so.
243. **In terms of the distribution of value within the value chain, this is difficult to determine**

⁸¹ A predecessor project of PRICE had provided funds for two cooperatives to obtain equity shares in tea factories, 15 per cent and 5 per cent, respectively. At the time of this CLE country mission, under PRICE, negotiations were ongoing for a cooperative to obtain equity shares in the factory.

owing to the absence of data on value accrued at different nodes of the value chain. These data are notoriously difficult to obtain due to the reluctance of the private sector to share commercially sensitive information. The evidence suggests that **more stable and equitable distribution of value is associated with factors such as:** (i) a high level of effort being invested in developing dialogue and trust between value chain stakeholders (in Niger, Senegal and Viet Nam); (ii) empowering producer organizations to control value (in Rwanda); (iii) increased competition between buyers for the supply of the targeted produce (in Gum Arabic in Sudan); (iv) focusing on niche markets and/or products for which the country/region has a comparative advantage (non-timber forest products and traditional dairy products in Bosnia and Herzegovina); and (v) selling to buyers with a strong commitment to fair terms of trade (PRICE in Rwanda, and in Sao Tome and Principe).

244. However, overall, the degree to which producers involved in IFAD-supported projects were able to negotiate the terms of trade varied greatly. In many instances, producers were still principally involved in the production of raw materials with high levels of risk and few opportunities to negotiate prices. For example, in Viet Nam, contract farming provided more transparent, higher and more predictable price conditions to producers (e.g. maize, coconut and tea), but this was largely because enterprises needed to secure large quantities of produce and thus offered better price conditions compared with traditional local traders. To date, the project has not led to the formation of broader and stronger associations of producers that could help smallholder farmers capture a larger proportion of the value of the final product. Even where producers are organized and selling collectively to higher value markets, profit margins may be squeezed due to shifts in global or regional supply that cause prices to drop (e.g. in Bosnia and Herzegovina).

D. The enabling policy and regulatory environment

245. As noted, a minority of projects explicitly addressed regulatory issues. **Three projects had a significant focus on this, namely:**
- Gum Arabic in Sudan was a policy-focused project cofinanced with the World Bank. It addressed the previous monopolistic purchasing board authority, which was depressing farm-gate prices for gum Arabic. The authority was turned into a regulatory authority and the market was opened to

private traders, which, reportedly, led to an increase in farm-gate prices.

- In Kenya, SHoMaP enabled the development of a national horticultural policy for improved regulation of the horticulture subsector; while the dedicated policy component in the SDCP contributed to the preparation of various national policies, bills and strategies related to the dairy subsector,⁸² as well as support for relevant institutions such as the Dairy Training Institute, Kenya Dairy Board, and the Department of Veterinary Services.

246. Other contributions to the establishment of an enabling environment include: the development of a national plan for the cashew subsector in Emprende Sur in Honduras; establishing value chain directorates in the Ministries of Agriculture and Livestock in the ProLPRAF in Mauritania; incipient institutions for the regulation of value chains for staple crops in PAFA/E in Senegal; and governance and institutional frameworks for the oil-palm subsector in the VODP 2 in Uganda.

247. A few projects that intended to work on the enabling environment did not progress well or lead to sustainable outcomes. For example, in Tonle Sap in Cambodia, policy review was a stated objective, but project documents make no mention of achievements in this area. PROMECOM in Honduras made some advances in building local government capacity to certify producer organizations as environmental service providers and to run market information systems, but these services were not sustained after the project ended. Whether this is more related to design issues than implementation issues is unclear.

248. Attention to regulatory services, such as **veterinary and phytosanitary control**, quality control, certification and food safety issues, was an element missing from the Cambodia portfolio. Similarly, inadequate attention to policy and regulatory issues was detected in Honduras and in the RLDP and RBDP in Bosnia and Herzegovina, although in the latter case this was largely due to the challenging governance system and the absence of a state level Ministry of Agriculture. Regulation on and

verification of product standards, labelling, and food safety is likely to become increasingly important in the future for domestic markets of developing countries.

E. Risk management

249. Typical risks in agricultural value chains can be classified as follows:⁸³

- production-related risks, including weather-related risks, climate change, natural disasters, and biological and environmental risks, such as pests and diseases;
- market-related risks, such as changes in supply and demand that affect input and output prices, and changes in market requirements;
- logistical and infrastructural risks, such as changes in transportation, communication and energy costs, or degraded infrastructure;
- management and operational risks, including poor quality control, forecasting and planning errors, and poor financial management;
- public policy, institutional and political risks, including changes to monetary, fiscal or trade policy, or political instability and insecurity.

250. There are several ways in which IFAD-supported projects have sought to enable small-scale producers and other value chain stakeholders to manage some of these risks, although this was not always the motivation behind the respective project activities. Examples include:

- training producers on good agricultural practices, control of pests and diseases, and climate-smart agriculture to help control production-related risks. For example, in Morocco, producers were trained to reduce water losses by lining traditional earth canals with cement, to reduce the risk of soil erosion either by terracing or by planting trees, and to plant varieties of olive trees or almond trees tolerant of low rainfall or cold weather;⁸⁴
- constructing storage facilities, such as village granaries and market warehouses to manage

⁸² Dairy Industry Policy and Bill, both of which were approved by the Cabinet; draft Livestock Feedstuff Policy and Bill, which is with the Attorney General for submission to parliament; Strategic Plan for Central Artificial Insemination Station; and Animal Breeding Policy and Bill, with the policy finalized while the bill is being prepared.

⁸³ Adapted from Springer-Heinze (2018), op. cit., see note 12.

⁸⁴ In Morocco, tree varieties were selected for environmental resilience although less consideration was given to the price of the varieties of olives or fruits.

supply and protect against price risks, e.g. PASADEM in Niger;

- constructing or rehabilitating rural roads and bridges, which improve handling and protect against risks to supply due to extreme weather (both production-related and infrastructural risk). For example, in Honduras, Emprende Sur partnered with the National Coffee Fund (which is funded through a tax on coffee) to construct tertiary rural roads in areas where coffee farmers were being supported by the project. This improved the quantity and quality of coffee reaching markets and reduced waste. Meanwhile, also the Project for Competitiveness and Sustainable Development in the South-Western Border Region (PRO-LENCA) in Honduras has mapped out the 150 producer organizations that it supports, and is using this to identify which roads should be prioritized for rehabilitation or reconstruction;
- facilitating purchase agreements between producers and buyers to reduce market-related risks on both sides, including contract farming.

251. Another strategy that has helped some producer organizations manage market and price risks is to focus on specific **niche export markets** that are characterized by lower price volatility. For example, the MTR of PAPAC in Sao Tome and Principe reported that, when international market prices fell, the free-on-board price received by participating cooperatives did not fall to the same extent, which increased the resilience of their enterprises. In spite of this, a fair-trade/organic-certified coffee cooperative in Honduras reported that the recent sharp drop in world coffee prices was having a damaging effect on the business, as even high-quality, speciality markets use the New York C price as their reference price (with premiums for quality and certification added). One way in which the cooperative was managing this price risk, and maximizing the value of lower-grade coffees, was to expand sales of roasted and branded coffee on the domestic market.

252. However, overall, there was **relatively little focus on market and price risks**. The raspberry value chain in Bosnia and Herzegovina is an example of the failure to use market intelligence to anticipate the price crash due to oversupply. In the RFSADP in the Republic of Moldova, there was insufficient risk-sharing in the supported value chains, with purchase agreements between producers and buyers only implemented in a

rudimentary manner, and prices still mostly based on spot transactions. Similarly, in Mozambique, a commonly disregarded risk was the interest and commitment of the private sector to seriously engage with the projects and producer organizations through fair contractual relations. The mitigating factor identified – matching funds for traders and agribusinesses – was not particularly effective, or sustainable.

253. Many projects directly or indirectly set out to address production-related risks and management and operational risks through support for production and organizational strengthening. However, **while the weakness of producer organizations was often recognized, capacity-building efforts did not sufficiently improve their management capacity** (e.g. in Brazil, in the GIADP and HARIIP in China, in El Salvador, in Honduras and in Morocco).

254. Small-scale producers are typically exposed to **weather-related risks**, and all value chain stakeholders are exposed to the risk of wide market price fluctuations. However, **the CLE came across few examples of instruments for risk mitigation. Some of these are being piloted or formulated:**

- Climate insurance. This relates to crop-insurance schemes in the case of rainfall failure/drought and contributes to reducing risks for small-scale producers. Payments to farmers are linked to specific events, as stipulated in the contract. Remote-sensing technology enables the verifying of weather events with an increasing degree of precision. The CLE observed a project in Senegal (the Support to Agricultural Development and Rural Entrepreneurship Programme [PADAER]) that promoted the access of small-scale producers to a national crop-insurance scheme. Pilot initiatives are also ongoing in Kenya (PROFIT).⁸⁵ Similarly, some 4Ps in NADeP in Sri Lanka introduced crop insurance that covers climate-related events as well as other sources of damage to crops (e.g. by elephants).
- Commodity price hedging. The Climate and Commodity Hedging to Enable Transformation initiative (known as CACHET) is a recently introduced IFAD pilot initiative. Its main objective is to secure the revenues of

⁸⁵ Through grants, IFAD has also supported weather-index insurance pilot projects in China, Ethiopia and Mongolia.

small-scale producers against major adverse price fluctuations. It consists of using financial derivative products to “lock in” floor prices for farmers above the break-even point, and it will involve larger cooperatives in the roll-out phase. Price hedging is already used by larger operators in developed and developing

countries for tradable commodities (in the United States of America, the Chicago Mercantile Exchange Group has been a pioneer institution). The pilot initiative started in 2018 with small-scale activities in Nigeria (cocoa) and Senegal (maize).

Key points

- The CLE found minor differences in implementation performance between value-chain-relevant projects and other projects. Similarly, there were minor differences in the average IOE ratings available. Value-chain-relevant projects, as all projects, suffered from implementation delays, but the specific value chain components were those most affected in the event of delay.
- There are gaps between the need for and provision of capacity-building. This is true for producer organizations as well as for project staff. Several initiatives have emerged – mostly thanks to ingenious solutions devised by CPMs – but not yet in a coordinated manner. The need for capacity-building to establish and strengthen local service providers has been largely overlooked.
- Overall, projects have been effective at providing basic financial services to producers through community-level informal groups and some microfinance institutions. The experience in financing SMEs and cooperatives was mixed, with negative consequences for the demand for small producers’ output. The expected synergies between “specialized” rural finance projects and value-chain-relevant projects in the same country rarely materialized.
- PPP/4Ps arrangements enabled small-scale producers to be engaged, mostly in buyer-driven value chains. This brought about more secure markets and income, but did not substantially alter governance. Value chains involving ethical markets exhibited more collaborative forms of governance between producers and buyers.
- Where multi-stakeholder platforms had been established and working well, this brought about more significant changes in value chain governance. This was a shift from market-based to more relational governance.
- Evidence on the distribution of value within value chains was fragmented, but the distribution appeared to be more stable and equitable where: (i) efforts were invested in developing dialogue and trust between stakeholders; (ii) producer organizations were empowered to negotiate exchange conditions; (iii) competition among buyers was high; (iv) the focus was on niche markets; and (v) buyers had commitment to fair terms of trade.
- There are few examples of major changes made to the enabling environment. One was the liberalization of gum Arabic market in Sudan, in collaboration with the World Bank. Few projects dealt with quality and food safety regulation.
- Projects mostly worked on production- and management-related operational risks but little on value-chain-specific risks (e.g. prices, and capacity of producer organizations). Financial products to deal with weather- and price-related risks were found in a few projects or at the concept development stage.

5. Outreach, impacts and sustainability

255. This chapter first presents a review of the actual outreach of the projects to different categories of beneficiaries, to the extent that this could be ascertained through field visits and desk-reviews. Next, it examines the available evidence on impact on income and food security and the mechanisms that contributed to such changes. Thereafter, the chapter discusses the main dimensions of sustainability and the key proximate factors. Finally, based on the findings of this CLE, it presents a classification of value chains, according to the level of development and pro-poor outcomes.

A. Outreach: poverty, gender, youth and indigenous groups

A.1 Reaching different groups

256. This section is about actual outreach in the 77 projects reviewed and their subcomponents. Outreach was diverse within individual projects, as they typically worked with groups of end-users that had different characteristics (for example, the same projects may support small-scale producers, SMEs, women and indigenous groups). Almost all projects (99 per cent) had **individual, small-scale producers as part of their outreach group**, including farmers, fishers and fishmongers, collectors of non-timber forest products, and artisans.⁸⁶ In addition, the vast majority (91 per cent) worked with **producer organizations as a strategy both for reaching target populations and for strengthening value chains**.⁸⁷ Various types of producer organizations were involved, from self-help groups and community interest groups, to farmer-based organizations, cooperatives and other collective enterprises.

257. About a third of projects (34 per cent) worked with **microenterprises** as a channel for reaching

the rural poor, alongside small-scale producers. Entire **communities** were reached in 35 per cent of projects. For example, the TNSP in Viet Nam facilitated linkages between rural communes and processors or traders, and the CCDP in Indonesia mobilized coastal communities into enterprise groups and supported them to access markets. Meanwhile, **agribusinesses** (SMEs) directly received support in 45 per cent of projects, for example, through PPP/4Ps arrangements, grants and matching grants for infrastructure and technology, or access to financial services.

258. Most projects allowed for the **inclusion of rural populations** with different levels of poverty, such as very poor, poor and better-off rural households. Provided that it does not create systematic anti-poverty bias, this is a positive fact in that value chain development entails working with various stakeholders that have different skills and roles.⁸⁸

259. Overall, the available evidence suggests that some 36 per cent of the projects reviewed were effective in reaching poor and very poor households, while some 24 per cent were less effective in doing so, due either to the design or implementation issues. For the remaining 40 per cent, it was too early to assess or the information was not conclusive. Where projects were effective in targeting poor and very poor households and groups, **factors contributing to good outreach** included:

- selection of products requiring little land or capital investment and involving intensive,

⁸⁶ The only exception was an ancillary rural finance project in Ghana, working with financial institutions and microenterprises for financial services.

⁸⁷ Percentages do not add to 100 as the outreach of the same project may include different categories.

⁸⁸ A similar assessment came through the e-survey of IFAD staff and project managers (details in annex IV). IFAD staff and managers believed that benefits from value chain interventions were widely diffused and would accrue overall to a poor population but may be less pronounced for the very poor (notably according to IFAD staff). Respondents also believed that some better-off rural people and small and medium-sized entrepreneurs had benefited to a large extent from projects while the majority indicated slight positive effects. Fewer thought that larger enterprises had benefited to a large extent.

- unskilled labour inputs (e.g. coconut and ornamental plants in the AMD in Viet Nam);
- using simple, verifiable, contextually appropriate criteria, such as a cap on land or livestock, and/or robust socio-economic household survey data to identify poor households (e.g. fruit trees in the PDFAZMH and PDFAZMT in Morocco; and milk in PASP in Rwanda);
 - stipulation of pro-poor requirements for agribusinesses as a condition to obtain IFAD project support (e.g. in the AMD and TNSP in Viet Nam), and **verification that these requirements are met**;
 - community-based groundwork and mobilization of producer groups (e.g. in PAFA/E in Senegal, and the CCDP in Indonesia);
 - previous work in the same area establishing the productive base and local knowledge, and a participatory approach to design and implementation (e.g. in PAFA/E in Senegal, export crops in PAPAC in Sao Tome and Principe, and coffee in PRICE in Rwanda).
260. However, **some projects were less successful at ensuring that poorer small-scale producers benefited** alongside better-off or more skilled small-scale producers. The reasons varied but the common denominator was that these projects focused on producers that were **already able to supply markets or were part of producer-buyer arrangements**. While this had advantages for implementation (as projects could proceed rapidly), projects missed an opportunity to more decisively broaden the benefits to other small producers.
261. For example, in the HVAP in Nepal, the focus on pre-existing producer organizations was built into the design, as the aim was to target those that already had the capacity to supply the qualities and quantities required by agribusinesses. Combined with limited project support for production enhancement, this meant that for the value chains with higher and faster returns (goats and off-season vegetables) limited efforts were made to include poorer households. Only one commodity value chain (*timur*) out of seven specifically targeted the poorer households.
262. Another case was in the RFSADP in the Republic of Moldova, where different targeting approaches were supposed to be applied. However, the project ended up mainly relying on self-targeting with an explicit focus on the more entrepreneurial and better skilled farmers, using demand-driven procedures that inevitably favoured those who were more responsive and better prepared and connected. Self-targeting, without explicit measures to help poor farmers, was also associated with some elite capture by better-off small-scale producers in Cameroon and Mauritania.
263. There were also a few projects in which **agribusinesses** were the entry point for value chain development interventions and the gateway to small-scale producers. The CLE found that **some of these projects did not take sufficient measures to ensure poorer small-scale producers were included**. For example, in NADeP in Sri Lanka, the selection of farmers was made by agribusinesses, which paid little attention to targeting criteria, and at least one company mentioned selecting better-resourced farmers for participation. Similarly, the impact evaluation of ASP in Georgia found that, while the project was effective in attracting new investments in rural enterprises, the scale was

BOX 5

Supporting artisans and disabled youth in Honduras

The Centro Integral Misión de Amor (CIMA) in Honduras was set up to provide disabled youth with livelihood opportunities. The 18 young people, who are deaf or have other disabilities, have learned to weave on traditional looms and to sew the cloth into clothes and accessories. Through PRO-LENCA, they have received specialist training in sewing, management, marketing and procurement, as well as grants for building improvements and machinery. As the cost and supply of thread is a problem for several of the artisan enterprises involved in PRO-LENCA, the project is seeking to help them collectively source raw materials from Guatemala. PRO-LENCA is also discussing with local authorities the possibility of setting up an artisans market where the groups can sell their products to tourists.

much lower than predicted (only 15 enterprises), and investments tended to strengthen existing linkages between agribusinesses and farmers rather than create new ones.

264. **In general, weak targeting occurred where private operators were left to select the small producers from which they would buy, and there was no clear linkage with other project components on community development and production enhancement.** Private operators had incentives to continue working with the same suppliers as before (usually those less poor), thus reducing information and transaction costs, rather than involving new producers (their preparation requires time and investments, but projects can initially subsidize this). Instead, where both traditional community development activities were coupled with initiatives to engage private entrepreneurs (as in Senegal and Viet Nam), the pro-poor focus was not lost.

265. There were also some **assumptions about trickle-down effects** to poorer groups from supporting more entrepreneurial farmers and agribusinesses that were **not adequately validated**. Trickle-down-type effects could occur where there was: (i) a sizeable increase in the demand for products from a large number of small producers (in the tens or hundreds, not just a few farmers) and a significant increase in farm-gate prices (e.g. coconut processing in Viet Nam); and/or (ii) sizeable effects on the demand for unskilled or semi-skilled labour, so that a lower level of formal education did not act as a discriminating factor (some cases observed in El Salvador, dairy cooperatives in Honduras, and coffee processing in Rwanda). However, there was no evidence that these conditions were holding in Bosnia and Herzegovina (the RLDP and RBDP) and in Georgia.

266. **People with no or few assets**, including the landless and quasi-landless, were reached in 22 per cent of projects. Usually, the aim was to support them to develop microenterprises and/or to access employment through vocational training and the creation of jobs linked to value chains. For example, in both El Salvador and Honduras, projects assisted traditional weavers and other artisans (typically women) to develop their microenterprises and to access markets (see box 5), including people with disability. In the AMD in Viet Nam, a small enterprise dealing with ornamental leaves received project support. This enterprise works through own production as well as through an out-grower scheme with hundreds of small producers. Producing ornamental leaves is labour-intensive but not

land-intensive. In fact, plants can be grown using a few square metres of land around a dwelling, making it ideal for poor, landless people. It can be taken up as a part-time activity, thus creating an additional income stream.

267. **In sum**, the projects reviewed by this CLE have engaged a plurality of actors, in line with a value chain development approach, and have included populations with different levels of poverty. This CLE finds that it has been possible to reach poor and very poor small-scale producers through projects promoting value chain approaches, and it identifies a set of factors that have supported these positive outcomes. Conversely, where projects did not have a strong focus on poor and very poor producers, a common problem was that they supported producers already well connected to markets, or engaged in producer-buyer arrangements, rather than broadening the coverage to additional small-scale producers.

A.2 Gender

268. Women were included in the outreach of all projects. However, **leadership and capacity on gender equality within the project management teams was weak in some cases** and/or gender-related activities were sidelined in favour of other project activities. Progress was limited by: (i) a lack of expertise in project implementation units; (ii) activities being focused on women separated from value chain development activities and, therefore, frequently sidelined; and (iii) gender not being given sufficient priority and resources by the project steering committee, project director and IFAD. The lack of alignment of gender-related activities with value chain development activities was an issue in the Finance for Enterprise Development and Employment Creation Project (FEDEC) and the Promoting Agricultural Commercialization and Enterprises Project (PACE) in Bangladesh, in Bosnia and Herzegovina, in Brazil, in Cameroon, in the Dabieshan Area Poverty Reduction Programme in China, and in Niger.

269. **In a number of projects, women constituted the majority of participants**, including: PASPRU in Burkina Faso (82 per cent), ISFP in Nepal (77 per cent), ProLPRAF in Mauritania (70 per cent), HVAP in Nepal (64 per cent), PAFA/E in Senegal (60 per cent), SOLID in Indonesia (53 per cent), and PRODEMOR CENTRAL in El Salvador (52 per cent). Projects mainly targeting savings and credit groups and microentrepreneurs, such as FEDEC in Bangladesh and PADEE in Cambodia, also had a majority of women participants.

Closing the gender gap in Honduras

IFAD-supported projects in Honduras have used the Closing the Gaps methodology with producer organizations, engaging them in participatory analysis of gender inequalities, and development of affirmative action to address them. For example, as part of its agreement with *Emprende Sur*, the coffee cooperative COCOSAN relaxed its membership rules to allow people without coffee bushes currently in production to join. This led to 43 new members, most of them women and youth. The project then funded these new members to start producing coffee. COCOSAN also has a women-only line of coffee which is being sold to the United States of America via two roasters, with *Whole Foods* in the United States (one of the end-markets), and market demand is apparently growing. This coffee garners a US\$20 premium on top of the US\$300 per quintal price, which goes directly to women producers, equating to US\$16,720 of additional income in the 2017/2018 season. While not initiated by *Emprende Sur*, the expansion of production being funded by the project should allow more women to benefit from this scheme.

Source: CLE country visit (2018).

270. **Variation in women's participation rates by value chain was generally linked to pre-existing norms for women's and men's roles and the gendered distribution of resources within households.** The participation rates for women in PRODEMOR CENTRAL - Extension and Amanecer Rural in El Salvador were 24 per cent for dairy and 27 per cent for coffee, compared with 41 per cent for aquaculture and 71 per cent for artisan products, reflecting the fact that dairy, coffee and horticulture require a higher asset base and/or capital outlay. This highlights the importance of value chain selection for gender outcomes. For example, when the government of Mozambique decided to shift the focus of PROSUL's red meat value chain from small ruminants to cattle, this greatly reduced the opportunities for women to benefit from the project. In contrast, although the CCDP in Indonesia faced the challenge of capture-fishing groups being dominated by men, the wide variety of activities undertaken by the project enabled women to participate in larger numbers elsewhere, such as in the processing (86 per cent) and savings groups (90 per cent).

271. It was useful where projects applied **affirmative action**, such as quotas for women's participation in producer organizations, and engagement with value chain stakeholders to facilitate inclusion. For example, in El Salvador and Honduras (box 6), project gender specialists used IFAD's Closing the Gaps methodology with producer organizations. In El Salvador, producer organizations were required to sign letters of agreement to address gender inequalities prior to receiving project funding, with 71 per cent of

organizations involved in PRODEMOR CENTRAL reducing the gap between men and women in membership and leadership positions. In the Rural Enterprise and Agricultural Development Project (READ) in Guyana, all rural organizations sending matching grant proposals had to identify affirmative actions towards social and gender equity, and 7 of the 46 groups supported were all-women organizations. However, there is a continued need to ensure changes made to achieve the quota requirements are not superficial (for example, producer organizations registering the wives and daughters of male members) and appointing women as board members in a tokenistic way.

272. With regard to results, **it is important to distinguish between women's participation in project activities and substantive change in gender relations** and women's empowerment. Evidence that went beyond participation was quite rare. For about half of the projects assessed, it was either too early to say what the impact would be, or there was little basis on which conclusions about impacts could be drawn. Six projects (8 per cent of the total) were considered weak on gender, either due to lack of analysis (ASP in Georgia, and the RFSADP in the Republic of Moldova) or poor implementation (the RLDP and RBDP in Bosnia and Herzegovina). For the remaining projects (about 40 per cent), there were generally positive results, but with limitations in terms of the depth of evidence or the extent of change. The impacts are summarized below against IFAD's strategic objectives for gender equality and women's empowerment:

- Economic empowerment – This was the area with most widespread impact, typically as a result of direct participation in project activities. Impacts included: improved access to productive infrastructure and resources, including microfinance; increased production volumes and quality, and improvements in income; new or improved opportunities to earn income, including through wage employment and enhanced mobility. However, there was a lack of data on how incomes have changed over time, and whether women retain (more) control over their incomes.
- Equal voice and influence – This was the second-most common area of impact, mainly linked to women’s increased membership in and leadership of rural organizations, as well as strengthening of women-led organizations and enterprises. There was also some evidence of increased status for women in their communities. For example, in PAFA/E in Senegal, women’s increased income brought them respect in their households and communities, and three women community facilitators were elected to local councils as a result of exposure through the project. However, it was not usually clear how this had affected the decisions taken and the distribution of resources within rural organizations and institutions.
- Equitable balance in workloads and benefits – This was the area with least evidence of impact, particularly related to the distribution of work. While women’s workloads may have been reduced by the introduction of technology in some projects, this was not tracked. In at least one project, women complained of increased work without commensurate benefits (Pro-Poor Partnerships for Agro-forestry Development [3PAD] in Viet Nam). However, a few projects did have evidence of an improved balance between men and women in household decision-making (READ in Guyana, PROMECOM in Honduras, SHoMaP in Kenya, the Agricultural Technology and Agribusiness Advisory Services Project [ATAAS] in Uganda, and the TNSP in Viet Nam), although for Honduras this did not apply to decisions on economic activities.

273. There are some assumptions that participating in value chains automatically benefits women, and most projects are still **not adequately dealing with structural causes of gender inequalities at all levels of the value chain**. These causes include norms and attitudes around women’s and men’s roles, the distribution of economic

resources within households and markets, illiteracy and a lack of appropriate skills.

A.3 Youth

274. Youth were in the outreach in 62 per cent of the projects assessed; this increased over time, with 83 per cent of projects approved in 2014-2016 including youth, compared with 39 per cent of projects approved in 2007-2009. However, there was no substantive information on results for about half of these projects. This is partly because youth inclusion is a relatively recent priority for IFAD and most of the projects targeting youth only became effective in the latter half of the evaluation period. However, it is also because M&E in this area was particularly weak.
275. Projects have featured the following strategies for reaching young people:
- grants or matching grants, technical assistance for youth-led organizations and enterprises (the RBDP in Bosnia and Herzegovina, the Youth Agropastoral Entrepreneurship Promotion Programme [Youth-AEP] in Cameroon, REP III and GASIP in Ghana, Honduras, the SDCP in Kenya, Morocco, Republic of Moldova, PASP in Rwanda, Senegal, the SDP in Sudan, the Agropastoral Value Chains Project in the Governorate of Médenine [PRODEFIL] in Tunisia, the Project for the Restoration of Livelihoods in the Northern Region [PRELNOR] in Uganda, and the AMD in Viet Nam);
 - targets and quotas for increasing the proportion of youth among members and leaders of producer organizations (El Salvador, GASIP in Ghana, Honduras, and the KCEP and SDCP in Kenya);
 - promotion of value chains that young people were engaged in, or interested in (PASPRU in Burkina Faso, PADFA in Cameroon, GASIP in Ghana, and PAFA/E in Senegal);
 - facilitation of access to finance (REP III and GASIP in Ghana, Republic of Moldova, and NADeP in Sri Lanka);
 - vocational training and apprenticeship, including skills required for value chains (Bosnia and Herzegovina, El Salvador, Honduras and Senegal).
276. The more favourable results were observed in: (i) the Republic of Moldova, where grants, loans and technical assistance for young entrepreneurs increased the profitability and resilience of

- their businesses; (ii) PAFA/E in Senegal, where young women benefited from training on food processing and more general support for value chain development; (iii) the SDP in Sudan, where 75 per cent of contract farmers were young people.
277. More generally, it appears that an effective strategy for reaching large numbers of young people was to select value chains in which young people were already engaged and mainstreaming youth inclusion across all project activities. In other cases, **lack of access to land and other assets** was a barrier to young people's involvement in producer organizations, or to accessing matching grants. Combined with **leadership positions being the preserve of older people**, and the **reluctance of some young people to become involved in agriculture** due to low returns and/or status, this meant that it was sometimes difficult for projects to achieve their targets for youth inclusion. For example, PROMECOM in Honduras achieved a 12 per cent participation rate for young people overall, just under its target of 15 per cent, but Emprende Sur reported difficulties in significantly increasing the percentage of youth among producer organization members from the current rate of about 5 per cent. As an innovative strategy to address barriers to participation, PAFA/E in Senegal was engaging with the local development, cultural and sport associations to reach young people, as groups can more easily access land than can individuals.⁸⁹
278. There were a couple of examples of **youth-led enterprises that were established to provide services** to the value chains supported by projects, such as manufacturing and supplying protective equipment to honey producers in Honduras, and providing agricultural services (pruning and harvesting) to farmers in Morocco. Moreover, the recently started Rwanda Dairy Development Project (RDDP) aims to develop a network of young people collecting milk by motorbike from the most isolated households and transporting it to the milk collection centres for processing. However, these were isolated cases, and this approach has not yet been widely adopted in IFAD's value chain portfolio as a route to both youth inclusion and value chain strengthening, as the capacity-building of local service providers has received little attention in general.⁹⁰
279. In some countries, young people were potentially benefiting most from job creation, but as mentioned, there were few data to prove this. While there were a few examples of training for young people, in general there was **little investment in vocational training linked to value chain requirements**. For example, there is a skills shortage in Viet Nam's growing agrifood industry, but vocational training centres currently do not offer the right training, and IFAD-funded projects have not yet stepped in to fill this gap. As noted during the Viet Nam field visits, vocational training institutes in the provinces of Tuyen Quang and Ha Giang do not have special programmes on the agrifood industry, and there was no plan to create a special curriculum in this domain. However, a World Bank Study⁹¹ concluded that many of the future work opportunities for today's underemployed rural workers may occur in manufacturing or service industries closely affiliated with agriculture, in food and agro-industrial processing, in agrolistics, and in the broad range of formal and informal food distribution services. For IFAD, this is a strategic long-term development activity to be developed in order to ensure necessary skilled human resources for the agrifood industry to flourish.

A.4 Indigenous groups

280. Indigenous groups were reached in 17 per cent of the 77 projects assessed. They were in LAC (El Salvador, Guyana, Honduras and Nicaragua) and APR (China, Nepal and Viet Nam). In general, there was **little information available** on the outcome of reaching indigenous groups, **particularly in terms of addressing their specific needs and interests**.⁹² For example, in READ in Guyana, where Amerindians represent about 11 per cent of the population and have a poverty rate of 70 per cent, the presence of Amerindian communities was a criterion for geographical targeting. However, no monitoring was done to record outreach to these groups. In Nepal, Janajati indigenous people were among the poor and disadvantaged groups targeted by the HVAP and ISFP. The HVAP had a 25 per cent inclusion target for *janajatis* and *dalits* combined (commensurate with their share of the population in the project area), and the MTR indicated that it was on track to achieve this. However, there was no separate monitoring.

⁸⁹ These associations are found everywhere in Senegal, and they are aggregation points for youth to engage in local development and income-generating activities, as well as sports and recreation.

⁹⁰ The CLE team is aware that IFAD is financing new projects that focus on developing the skills and competencies of young people to engage in agriculture-related businesses, including in Cameroon and Indonesia. However, these were not classified as value-chain-relevant

as they did not have a specific value chain focus.

⁹¹ World Bank, "Shaping Vietnam's Agriculture and Food System to Deliver Jobs," Chapter 2 in *Vietnam's Future Jobs: Leveraging mega-trends for greater prosperity* (Hanoi: Hong Duc Publishing House, 2018).

⁹² In Viet Nam, all IFAD-funded projects have an indicator on indigenous peoples' participation. In Nepal, projects collect and analyse the disaggregated data by sex and ethnicity.

Selected findings from impact assessments and impact evaluations

The GIADP in China was initially designed as an agricultural development and infrastructure project. However, it also included institutional support and value-adding facilities, such as processing, storage or packaging, and local market infrastructure building. Its impact assessment showed that households in poorer counties experienced significant increases in crop yields and revenues, in particular in relation to fruit crops (especially among those receiving a combination of agricultural support and infrastructure interventions). The value of fruit crops produced significantly increased by 29.1 per cent. Increases were recorded in asset ownership, specifically in durable assets. In addition, the assessment found positive impacts on poverty dynamics, with beneficiary households more likely to move out of poverty.

According to the impact assessment of the NRGIP in Ghana, there were positive effects on: (i) the total household asset index; (ii) several household livestock indices; (iii) indices of crop diversification; and (iv) total annual agricultural revenues. The assessment noted positive changes on both the 40th and 60th percentile poverty lines, suggesting that positive effects were spread to poorer households. The assessment concluded that the infrastructure improvement component (roads and irrigation) might have been the main factor but did not exclude the role played by improved access to markets.

The impact assessment of the SDCP in Kenya showed significant although not dramatic increases (up 1-8 per cent) in the adoption of improved cattle feeding practices (zero grazing, concentrate feeds, and mineral supplements), greater access to animal vaccination and curative treatments (up 12-26 per cent). The most important effect impacts were on the number of cattle owned (up 50 per cent). The increase in quantity of milk sold, although significant was not impressive (up by about 8 per cent, probably due to self-consumption). Farm-gate prices for project participants were reported to be 31 per cent higher compared with control observations, leading to an increase in the value of milk sold.

The IOE impact evaluation of SHoMaP in Kenya showed positive and statistically significant differences for beneficiaries in: (i) crop yields (banana and sweet potato); and (ii) agricultural incomes. Although the respective effects could not be entirely disentangled, the evaluation argued that impacts were mostly tied to training on better agricultural practices (seeds, planting materials, soil preparation, certified fertilizers, and crop rotation) and training provided to input stockists. Expectations that stockist would pass on some of the gains from increased sales of the inputs to the farmers (through reduced prices or discounts) were not confirmed. Other forms of value chain support (infrastructure, and horizontal linkages) were not effectively implemented.

In Georgia, ASP was mainly about infrastructure (irrigation and bridges) and production development. Some interventions, such as leasing, were expected to promote value chain development, but their uptake was limited. The IOE impact evaluation found that, overall, impacts on incomes and assets were limited (mainly due to flaws in the irrigation component), but with traces of income increases linked to transportation infrastructure and the introduction of leasing products (in spite of the low uptake).

Source: CLE summary of RIA impact assessments and an IOE impact evaluation (2019).

281. The fact that gender and social inclusion were not managed as an integral part of value chain activities raised some concerns as to the sustainability of poverty reduction for these groups.⁹³

282. A more positive example is PROMECOM in Honduras, where 21 per cent of the households reached were of Tolupan ethnicity. This was facilitated by reaching an agreement with the

⁹³ In 2017, IFAD also approved the large grant Empowering Indigenous Youth and Their Communities to Defend and Promote Their Food Heritage, to be implemented by Slow Food International. The grant aims at developing or strengthening ten presidiums managed by indigenous groups in Argentina, Brazil, Colombia, Ecuador, Kenya and Mexico. A Slow Food presidium is a value chain of locally traditional produce, either a crop, animal breed or food, that can significantly

contribute to the improvement of food security, food sovereignty and incomes of the participating producers. All ten subprojects pay significant attention to gender equality and women's empowerment. In 2020, at project completion, Slow Food will produce four case studies analysing results and challenges, also taking into account the results of a survey of 50 sustainability indicators carried out at project inception and completion.

Yoro Federation of Xicaques Indigenous Tribes to represent member organizations and help them access project funds. For the more recent project, PRO-LENCA, there was initially some tension with the leaders of Lenca groups.

They mistakenly interpreted the name of the project to mean that it was intended exclusively for Lenca peoples, rather than just being in areas with predominantly Lenca populations. However, after several months of negotiation, the indigenous leaders agreed to sit on project committees for approving investments and overall supervision of the project.

283. **Viet Nam has also had some success** in reaching ethnic minorities in the north of the country (3PAD, the TNSP and the Ha Giang: Commodity-oriented Poverty Reduction Programme [CPRP]). In the CPRP, most of the population in the project area come from “minority” ethnic groups, and the participation of the poor and near-poor was over 50 per cent across all project activities, including PPPs for value chain development. 3PAD was in a majority ethnic group area, but initially focused on the Tay communities in the lowlands, who were less poor than the Dao and Hmong communities in more remote areas. Following recommendations by the MTR, the project revised the manuals and approach to expand to upland poor villages with poverty rates of more than 50 per cent. However, language, culture and context barriers constrained the level of impact that could be achieved.

B. Changes in incomes, assets and food security for the poor

284. Previous sections have reviewed project contributions to the policy and regulatory environment and to the value chain structure and governance. Institutional and policy issues have also been discussed. The question now is how these in turn facilitated impacts on incomes, assets and food security.
285. The assessment of these domains is a challenging task, given: (i) the diversity in the stage of implementation of projects (many still ongoing, at the initial phase or with implementation delays); (ii) the varying level of project performance, notably the value chain components; (iii) the limited number of assessments based on surveys that tried to extract a representative sample, estimated difference between a treatment and a comparison subsample, and controlled for sampling bias; (iv) the problems in disentangling effects of investment in value chain as opposed to investments in other project components

(such as irrigation, extension or transportation infrastructure); and (v) the lack of longitudinal data covering several years, thus taking into account price fluctuations.

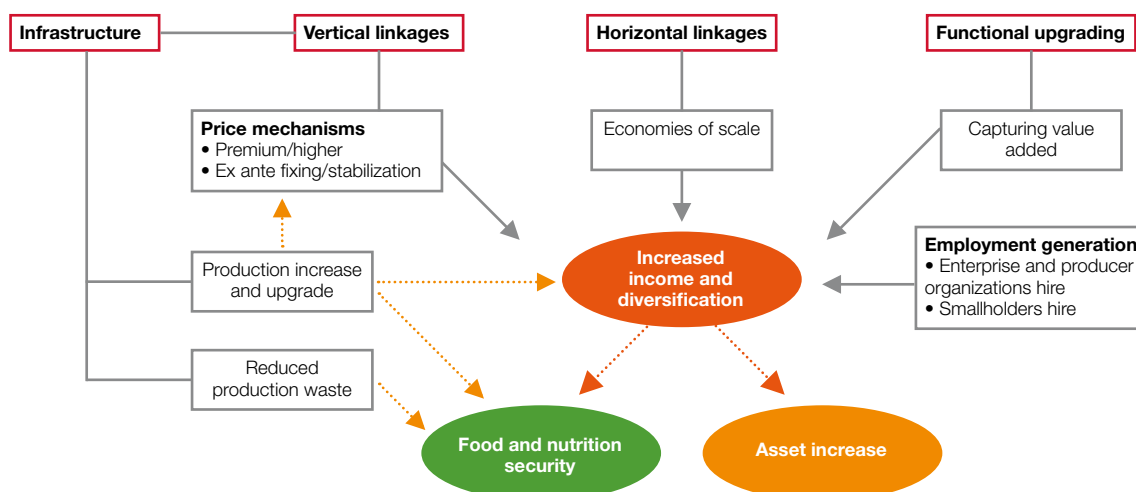
286. Three impact assessment conducted by RIA and two impact evaluations carried out by IOE were available for projects included in the time frame of this CLE. Box 7 summarizes their findings. **Four out of five found overall positive impacts on incomes and assets** (in China, in Ghana, and in the SDCP and SHoMaP in Kenya). However, two cast **some doubt on the possibility of attributing changes to work done on value chain development** (in Ghana, and in SHoMaP in Kenya), but this seemed to be a problem in all cases. Future impact assessments are likely to face the same problem.
287. In general, information available from the CLE review shows improvements in productivity, production, access to markets, and levels of farm-gate prices, with an increase in the marketed quantities of produce, improvement in the timing of marketing and diversification of marketed products. These impacts have the potential to drive an increase in revenues of small-scale producers, although data are often missing on the changes in production costs that are essential to estimate profit changes. While some information in asset change was available from impact assessments and evaluations (see box 7), overall data were scarce.

B.1 Pathways to increases in incomes

288. It is useful to map the mechanisms through which value chain participation benefited the poor, according to what could be observed. This is portrayed in figure 8. Projects generated effects on the **production and productivity** side. Examples have been documented in Morocco, where, in order to sell on nearby city markets, fruit-tree varieties (such as apples or cherries) needed to be selected and managed for improved size, calibre and appearance, thus attaining higher grading. In China, high-value crops started to replace paddy fields. If unit production costs do not increase more than proportionally and prices do not fall, these changes can be expected to lead to profit increases for farmers. Improvements in production and productivity can affect incomes directly or through prices mechanisms.
289. **Price mechanisms** were key elements for increasing income. They were often the results of vertical linkages and purchase agreements, such as:
- An ex ante agreement on a fixed price to reduce risks of price fluctuation for producers.

FIGURE 8

Mechanisms through which value chain participation benefited small-scale producers



Source: CLE elaboration (2019).

For example, in the ADM in Viet Nam, an out-grower scheme for producers of ornamental leaves set a price of VND 500 per cutting if collected at the farmers' place; VND 550 per cutting if they delivered at an agreed collection centre; and VND 600 per cutting if they delivered at the buying entrepreneur's site. This would avoid risks and transaction costs linked to repeat spot negotiations. The production of ornamental leaves was introduced by a local entrepreneur, and it provided an additional income stream for landless and quasi-landless producers, doubling monthly incomes.

- A price premium linked to product characteristics, such as organically grown coconuts, for which an exporting enterprise in Ben Tre Province (Viet Nam) paid a price premium of 5-10 per cent compared with the prevailing market prices (farmers were already producing organic by default). Similar experiences were observed where partnerships had been developed with private enterprises with a commitment to corporate social responsibility, for example, in El Salvador, Honduras, Rwanda, and Sao Tome and Principe. In Rwanda, in 2017, the average price for exported coffee from the country was US\$3.26/kg, but the PRICE-supported cooperatives in Western Province exported their fair-trade coffee at an average price of US\$5.0/kg. Premium prices for the high-quality produce provided some buffer against fluctuations in international prices.

290. **Employment generation** mechanisms. These are often classified as "indirect effects" of value chain intervention (for poverty reduction, the difference between direct and indirect is immaterial – what counts is the size of the effect). Employment generation is not only from medium-sized and large enterprises. Microenterprises and smallholder farmers employ external (non-family) labour, albeit often for a short period or part-time. As noted above, a condition for pro-poor effects is that the production of commodities be labour-intensive and require unskilled or low-skilled labour (i.e. without educational barriers for the poor). **Evidence on employment generation is limited** (e.g. number of persons, additionality, full-time/part-time, and permanent/seasonal), as explained below. Multiplier effects (e.g. through transportation, storage, conditioning and processing) remain unaccounted for in impact studies and evaluations.

291. A study carried out for the RFSADP in the Republic of Moldova concluded that 2,034 permanent jobs had been created through project support for contract farming, SMEs, young entrepreneurs and microenterprises – exceeding the target of 1,500 jobs. Of these jobs, 1,112 related to the 445 young entrepreneurs involved in the project, each of whom were assumed to have created 2.5 jobs. However, the IOE survey carried out as part of the PPE found that, while 77 per cent of investments had indeed yielded new jobs, these were mainly seasonal jobs for SMEs, and only 17 per cent of young entrepreneurs reported an increase in

employment. It is not clear how many full-time-equivalent jobs had in fact been created.

292. In several countries (e.g. Bosnia and Herzegovina, El Salvador, Honduras and Rwanda), some value chains, such as coffee, horticulture and dairy, involved significant amounts of wage labour at the farm level and in producer organizations and agribusinesses. There was anecdotal evidence that they were employing more workers as a result of IFAD-supported projects. Indeed, the internal impact study carried out by PROMECOM in Honduras found that, for the 30 producer organizations sampled, the number of permanent workers had risen from 97 to 371 between 2010 and 2017, and the number of temporary workers from 43 to 399 (based on recall). However, there is no information on the poverty status,

gender or age of workers, or the quality of work (e.g. wages, access to legislated benefits, and conditions of work). Similarly, in PRICE in Rwanda, development of the coffee and tea sectors has generated low-skilled temporary jobs, but the absence of precise recruitment criteria and relevant monitoring meant that it was not possible to know whether members of poorer families had easier access to these jobs.

293. **Better negotiating capacity power for output prices and some economies of scale could be results of horizontal linkages** (sometimes these were also accompanied by functional upgrading). Examples have been documented in *Emprende Sur* in Honduras, where producer groups could negotiate annual contracts with a minimum price guarantee for melons, with the price varying from US\$4 to

Key points

- Overall the case studies show that it is possible to reach poor and very poor households and groups with a value chain approach, although not all projects managed to do so effectively. Those that did were enabled by: (i) selecting commodities that required little land or capital investment and involved intensive, unskilled labour inputs; (ii) stipulation of pro-poor conditions for agribusinesses to obtain IFAD project support; (iii) community-based groundwork and mobilization of producer groups; and (iv) previous work in the same area establishing the productive base and local knowledge.
- In some cases, agribusinesses were the entry point for value chain development interventions. Some of these did not take sufficient measures to ensure that poorer small-scale producers were included. This happened where private entrepreneurs were left to select the small producers from which they would buy and this was de-linked from other community development and production enhancement activities.
- In some projects, women were the majority of participants, although this often depended on pre-existing gender roles. There is some evidence of women's economic empowerment through access to resources and income generation, as well as of improved participation in the leading bodies of grass-roots organizations (although not necessarily decision-making). The least evidence is on equitable balance between women and men in terms of workloads and benefits.
- For many projects, there is little evidence on the results for young people. There was little investment in vocational training in agricultural produce processing linked to value chain development, while opportunities for underemployed rural workers may occur in manufacturing or service industries closely affiliated with agriculture, in food and agro-industrial processing, and in agrologistics.
- In most cases reviewed, there are indications that mechanisms are in place that could potentially generate positive changes for small producers' households. These mechanisms included: (i) improved yields and quality of production (or shift to higher value commodities); (ii) vertical linkages, leading to changes in pricing mechanisms; (iii) horizontal linkages, leading to some scale economies; (iv) functional upgrading, helping small producers capture more value; (v) infrastructure, reducing transportation and storage costs and post-harvest waste; and (vi) employment generation (although data on this are not well established).

US\$6 per crate (against informal market prices of US\$3 per crate). In El Salvador, income increases were also made possible by savings through the bulk purchase of feed (economies of scale).

294. **Functional upgrading** was also a way to capture added value (e.g. through processing and reducing the role of intermediaries).⁹⁴ Several examples were observed in **milk value chains**, where efficient milk-collection systems were established and quality standards were improved through adequate capacity-building efforts and equipment. This was in conjunction with increasing demand for dairy products unmatched by national supply, which helped make dairy cattle profitable at a small scale. This was the case in Bosnia and Herzegovina, El Salvador and Rwanda. In the latter two countries, additional enabling factors were the national governments' programmes aimed at increasing milk consumption. In PASP in Rwanda, milk collection centres could pay producers 80 per cent above the average price offered by intermediaries.
295. Findings on milk value chains were more uneven in a country-level evaluation in Sri Lanka. An IOE survey of 150 farmers (NADeP) suggested that farmers were able to upgrade their traditional cows to cross-bred and higher-yield breeds, and their open rearing systems to semi-intensive ones (grazing during the day and being fed with grass at night). Moreover, farmers were provided with equipment (grass-cutters, choppers, milking cans, other equipment and cattle sheds) and training on hygiene in milking, on bookkeeping and on silage-making. In addition, chilling-centre facilities were equipped and turned over to farmers organizations. However, evidence of an increase in milk productivity and net income was mixed, perhaps reflecting a relatively early stage of the project.
296. Anecdotal evidence showed that incomes of small-scale producers tended to improve where producer organizations (associations, cooperatives and common interest groups) were strengthened and given control of handling, processing and marketing (again, through prices). This was the case in Bangladesh, China, El Salvador, Niger, Senegal, and PASP in Rwanda. In Rwanda, the cooperatives supported could sell maize at US\$340/ton, more than double the average

price paid by intermediaries (US\$153/ton). Although the cooperatives retained a small share of the amounts paid, a large share of the higher returns reached the members. In Senegal, small-scale producer organizations and their members benefited thanks to the development of processing microenterprises and to the establishment of contractual links with private-sector actors through multi-stakeholder platforms. As noted above, a main constraint to functional upgrading of cooperatives and producer organizations was limited access to rural finance, as they lacked the liquidity to purchase the primary produce of their members (unless the latter agreed to sell "on credit").

297. **Infrastructure** (transportation and storage) was often a key element in supporting the creation of linkages (horizontal and vertical) and functional upgrading. It was instrumental to productivity increases (irrigation) and production upgrading. It was also instrumental to post-harvest and storage loss reductions (see also the following section). In PASADEM in Niger, the creation of a network of satellite collection centres, improved roads and secondary wholesale markets with complementary infrastructure for farming service providers paved the way to creating economic corridors and clusters.

B.2 Food and nutrition security

298. While plausible causal linkages can be inferred between certain value-chain-enabled mechanisms and income generation, linkages with food security are less evident, as signalled by the dotted lines and arrows in figure 8. **Increased income can lead to better food security if part of the additional income is used for purchasing more or higher-quality food. But alternative pathways also exist**, such as auto-consumption and better post-production conservation of food products. In addition, nutrition outcomes are also tied to health status.
299. Data available through the CLE case studies suggest that projects that developed value chains for staple crops and for fisheries products for local and national markets led to food security improvements, either through income increase, or through production and productivity improvements (this may or may not be related to value chain development), and/or by reducing harvest-related and post-harvest losses. This was the case in most countries and many projects (Bangladesh, Cameroon, China, El Salvador, Honduras, Indonesia, Mauritania, Mozambique, Niger, PASP in Rwanda, and Senegal). Moreover, some evidence of lean periods being reduced or eliminated was recorded in Mauritania,

⁹⁴ To be noted: Informal buyers and intermediaries did not necessarily disappear. The latter would agree to buy products that did not conform to higher standards established by processors or supermarkets. For this reason, smallholder farmers were not eager to sever ties with them.

Niger, Sao Tome and Principe, and Senegal. Quantitative data on food security were available for few projects, and they were mostly perception data rather than anthropometric indicators.

300. Regarding the available impact assessments and evaluations, in Kenya, the SHoMaP impact evaluation found that project-supported households (as compared with “control” ones) experienced an increase in indicators of food security and diet diversity (including women-headed households). In the same country, the SDCP impact assessment found that households with projects were slightly increasing consumption of food with higher content in terms of animal protein (red meat, and milk) and vegetable protein (legumes such as beans lentils, peas and nuts) while slightly decreasing consumption of starch-rich food (tubers) and fruits, and marginally increasing consumption of coffee, tea and condiments.

301. However, in the NRGF in Ghana, there was no significant change in food security indicators (months of food insecurity, number of meals per day, and diet diversity) as compared with the control sample. Also in ASP in Georgia, there was no indication of significant food security increases.

302. The impact assessment of the GIADP in China estimated a higher dietary diversity score for households exposed to agricultural development interventions. However, households exposed to infrastructure interventions exhibited a lower dietary diversity score. The assessment could not completely explain these latter findings but noted that villages in the control group had also received infrastructure investment, which could have had confounding effects.

303. It is sometimes argued that value chain participation can lead to the following **food security threats**: (i) farmers may specialize their production on fewer high-value crops and reduce their ability to rely on their own production of staple food; and (ii) farmers may sell to the markets almost all their production of highly nutritious products (e.g. milk) and consume lower-quality and far less nutritious food. The CLE did not find reports or record any observation where this was the case. Most farmers did not appear to engage in monocropping or reduce crop diversification (it was more often the opposite case). However, the risk of monocropping appeared in two cases:

- PRICE in Rwanda, for high-altitude tea producers: two hectares was the minimum

area that could support a household on its own, and farmers with smaller tea-plots required access to land at lower altitudes to complement their food and income. This was challenging, given strong demographic pressure on land.

- the VODP in Uganda, although its extent has not yet been substantiated.⁹⁵

304. **Nutrition.** In 2015, IFAD approved its first Nutrition Action Plan (2016-2018), with the objective of increasing “the nutritional impact of the Fund’s investments and of its advocacy and policy engagement at global and national levels.”⁹⁶ Hence, the integration of a nutritional perspective in IFAD-funded projects is a recent feature, as confirmed by the finding that across all the value-chain relevant projects 30.5 per cent did include references to nutrition. Among these, 73.3 per cent were approved from 2015 onward. Thus, only a few projects could offer any evidence.

305. Among these, positive steps were found in El Salvador, where the request to IFAD to align its projects with the government’s Family Farming Plan led to integrating food security and nutrition concerns in the selection of the value chains. Different but still positive results were also found in Niger and Senegal, where the food-crops value chain produced fortified food for children, including pre-cooked flours and biscuits. In addition, capacity development on broader nutritional issues was provided to producers and mothers in the beneficiary communities.

306. According to IFAD’s Management, an important factor in improving nutritional outcomes is through awareness-raising and education (especially of women), and through behaviour-change communication and campaigns, which value chain projects have sought to include

⁹⁵ The 2017 VOPD supervision mission in Uganda noted that expansion of oil-palm cultivation on Bugala Island could entail the risk of gradually evolving towards oil-palm monoculture. The proposed mitigation measures to offset this risk were, among others, support to smallholder farmers to develop vegetable crop production as well as some animal husbandry activities.

⁹⁶ The expected outcomes of the Nutrition Action Plan are: (i) nutrition-sensitive projects shape agriculture and food systems in ways that contribute to nutritious diets; (ii) projects promote behaviour-changing communications to improve food choices and related preparation and post-harvest practices; (iii) projects promote the equality and empowerment of women in ways that help them improve nutrition for themselves, their children and their families; and (iv) activities in policy engagement, advocacy and partnerships, as well as research and knowledge management, contribute to better governance, a supportive enabling environment for projects, and more effective projects.

more recently. Although it is far too early to draw any conclusions, the CLE notes that, usually, the introduction of more nutritious crops, e.g. vegetables, is not sufficient on its own to lead to improvements in the nutritional status of all members of producing households. Animal protein (from meat, eggs, milk and fish), micronutrients (e.g. iron, zinc, folate and vitamins) as well as hygiene and health status play an important role. Value chain development can contribute to this but is not sufficient on its own.

C. Sustainability

307. Taking into account the conceptual framework of chapter 1, this evaluation identified questions on the sustainability of benefits from value-chain-relevant interventions that related to the following domains: (i) economic and financial; (ii) institutional; (iii) social; (iv) environmental; and (v) resilience to climate change.

C.1 Economic and financial sustainability

308. The economic and financial sustainability of a value chain indicates the likelihood that actual and anticipated economic results will be sufficient to fairly remunerate the work and investments of all stakeholders, that the financial flow generated will be sufficient to keep the value chain operational, and that both features will be resilient to risks.

309. In many value chains, **the identification of a commodity for which a strong demand existed and the development of the capacity of producer organizations** to meet such demand in quantity and quality appeared to be the key fundamental combination favouring sustainability. Anecdotal evidence of successful examples was found in China, El Salvador, Honduras, Sao Tome and Principe, and Viet Nam, for a variety of value chains.

310. In addition, in Bosnia and Herzegovina, dairy, non-timber forest products and medicinal and aromatic plants appeared to be more sustainable in economic and financial terms than did other products, e.g. raspberries, either because of comparative advantage in production or strong niche markets (for example, cheese in the case of dairy). In Rwanda, a simple cost-benefit analysis indicated good levels of economic and financial sustainability for the specialty coffee, tea and milk value chains. However, this did not prevent some specialty-coffee-producing cooperatives from failing, due to weak management and volatile prices, and the conventional coffee-producing cooperatives faced challenges in this respect owing to the lower prices for their

production. In Viet Nam, as far as could be ascertained during field visits, for all products (maize, tea, oranges, shrimps, coconut, and ornamental leaves), both primary producers and processing companies or cooperatives were able to cover production costs, remunerate labour and make some profit. No information was available on other functions of the value chains.

311. However, the **lack of market intelligence support** in terms of robust analysis and understanding of market dynamics led to low profitability. This included: (i) the raspberry value chain in Bosnia and Herzegovina, where market saturation led to a dramatic fall in returns for producers and aggregators; (ii) the horticulture value chain in the project Agriculture Modernization, Market Access and Resilience (AMMAR) in Georgia, which was not supported by an economic and financial analysis of the proposed technological innovations; (iii) most value chains in Guyana, where only national markets were targeted and led to very few producer groups being operational one year after project end; (iv) horticulture in Mauritania, where imports from neighbouring countries and traders' interests stifled local production; (v) carrot seeds in the HVAP in Nepal, where between project design and implementation the Bangladesh market demand had been met by Bangladeshi seed producers; and (vi) sericulture in PRICE in Rwanda, which has so far shown poor prospects for gross margins.

312. A second major factor affecting the economic and financial sustainability of value chains was **access to financing at an affordable cost**. The consequences of this challenge on value chain sustainability were visible in most cases. For example, in El Salvador and Morocco, the lack of working capital for producer organizations and cooperatives meant that their members might opt to side-sell to intermediaries (who paid them immediately), which undermined the viability of the organizations.

313. The **establishment of partnership agreements among stakeholders** also contributes to the economic and financial sustainability of value chains. This is because it can contribute to a fairer distribution of costs, benefits and risks along the value chain. To mention a few, positive examples were found in Niger, in PRICE in Rwanda, in Senegal, and in Sao Tome and Principe for the export crops, whereas the absence of partnership agreements undermined value chain development in Brazil, in the SDCP and SHoMaP in Kenya, and in Sao Tome and Principe for animal production value chains.

In many other cases, the absence of links with the private sector was largely due to an underestimation of the importance of these partnerships, and of the challenge in establishing them, in particular where producer organizations and microenterprises were geographically isolated and very small in size.⁹⁷

314. Thus, perspectives for the economic and financial sustainability of the value chains supported through IFAD-funded projects were quite varied, ranging from very positive to very low. The key factors within IFAD's control are: adequate market intelligence and diagnosis of the profitability of enterprises at the time of selecting value chains that can benefit poor small-scale producers (as well as during implementation); securing access to affordable rural financial services; and establishing partnership agreements among stakeholders.

C.2 Institutional sustainability

315. Institutional sustainability refers to the likelihood that the progress made, and the achievements attained, in the development of organizations and institutions and of their capacities will be sustained over time.
316. One of the proxy indicators used to assess institutional sustainability at the governmental level was the sense of **ownership and commitment that senior government staff expressed for value chain approaches as a model to be pursued** for poverty alleviation and rural development. This was the case, for example, in HARIIP and YARIP in China at the county and township level, in Rwanda and Senegal at the senior level in the Ministry of Agriculture, and in Viet Nam at the national and local government level.
317. In Niger, the Ministry of Agriculture, the Ministry of Planning and the High Commissioner for the programme Nigériens Nourissent les Nigériens were committed to ensuring the sustainability of the work carried out to establish economic development clusters. In Mauritania, both the Ministry of Agriculture and the Ministry of Livestock established value chain departments in their organizations. In other cases, projects triggered improvements to the policy environment that led to positive impacts for value chain development, as was the case

in Gum Arabic in Sudan with price and market liberalization, and in Sao Tome and Principe with a national bill on certification.

318. In Brazil, the situation of institutional sustainability was more ambiguous. On the one hand, state governments committed to maintaining financial support to small-scale processing enterprises even after project closure. In addition, they tried to link these enterprises with large public procurement programmes, such as the Food Acquisition Programme (Programa de Aquisição de Alimentos) and the National School Feeding Programme (Programa Nacional de Alimentação Escolar). On the other hand, the public sector could "crowd out" attention to market analysis.⁹⁸ In addition, social programmes and the ensuing procurement programmes were tied to electoral cycles, leading to a "political risk."
319. **At the level of organizations that represent the poor** and small-scale rural producers, the main path to strengthen their institutional sustainability has been the **development of their organizational and managerial competence**, and the leadership skills of their senior members. Indirect evidence of the effects of IFAD-funded projects and of the likely sustainability of many producer organizations was the growing size of their membership and the expansion of their range of business activities. Some examples of this successful path were found: in Bangladesh in the common interest groups that joined into larger producer organizations; in Indonesia, where CCDP village groups turned into local microenterprises and small businesses; and in the associations and cooperatives in Bosnia and Herzegovina, El Salvador, Honduras, Sao Tome and Principe, Senegal and Rwanda, where producer organizations are growing into small enterprises.
320. However, **long-term perspectives were uneven**, also because multiple factors can affect the sustainability of producer organizations. For example, in Cameroon, the new cooperative law induced the government to stop supporting the common interest groups initially supported by the projects in favour of newly created cooperatives, whose capacity had to be built

⁹⁷ In other cases, value chains supported by IFAD-funded projects appeared to be at risk with regard to economic and financial sustainability due to broader factors beyond the projects' control. In Cameroon, road insecurity prevented safe transport of the onion harvest to the large urban markets in the country's southern provinces.

⁹⁸ Regarding the conduct of market analysis, IFAD's Brazil country office was aware of these risks and tried, in collaboration with the Inter-American Institute for Cooperation on Agriculture and the Spanish Agency for International Development Cooperation, to introduce better guidance for elaborating productive investment plans and business plans for project design consultants and project management teams. However, institutional sustainability requires a different arrangement in terms of partnerships in project implementation.

virtually from scratch; whereas in SOLID in Indonesia, confusion at the project level about the roles and responsibilities of self-help groups and federations undermined their viability. In many cases, governance issues and the limited capacity of managers undermined the sustainability of producer organizations.

321. Drawing from the available evidence (from El Salvador, Honduras, Morocco and Rwanda), the following factors seem to be important in determining the chances of survival of cooperatives and producer organizations:
- Prolonged support (more than a decade may be necessary).
 - Size of the organizations. Processing cooperatives needed to ensure economies of scale. Successful cooperatives with 500 or more members (e.g. for coffee in Rwanda) compared with cooperatives of 20-30 members facing serious viability challenges as they produced too little to cover their operating costs (e.g. milk, olive and almond processing in Morocco, where plant capacity utilization was often as low as 10-20 per cent).⁹⁹
 - Quality and commitment of leadership. Many producer organizations need to hire experienced managers to organize the production processes, the supply chain, and to find buyers. This is essential where members have limited experience and/or low literacy. It entails additional costs that may be easier for larger cooperatives to absorb (see point above).
 - Strong marketing strategy and business plans – to be prepared at the beginning, not when the project is about to close down.
322. **In sum**, key factors that emerged as contributing to institutional sustainability in the context of value chain development were not significantly different from what is effective for other sectors: senior-level commitment and leadership; and extensive and long-term capacity-building at all levels. IFAD-funded projects showed mixed attention to these aspects, and results were accordingly variable.

⁹⁹ In some countries and value chains, the cooperatives could be small and still viable. This generally involved better-off producers who sometimes also sourced from a network of non-member farmers (e.g. cooperatives in Bosnia and Herzegovina, and some dairy cooperatives in El Salvador and Honduras).

C.3 Social sustainability

323. Social sustainability in value chain development refers to the likelihood of strong stakeholder engagement, inclusion and ownership for the value chains, especially of vulnerable groups, as well as to the modality of interaction and negotiation among stakeholders, for example, the multi-stakeholder platforms established to enable dialogue and coordination among actors.
324. **Multi-stakeholder platforms** offer the opportunity to all actors to: (i) develop trust with one another, which is one of the pillars for doing business together; (ii) coordinate a number of common activities (e.g. produce bulking, transportation and processing) and ensure the flow of information and financial resources between the value chain stakeholders; (iii) resolve disputes and controversies; (iv) set and apply industry standards and good practices; and (v) constitute a reference interlocutor for the government on all questions relating to the said value chain.
325. As mentioned, **solid multi-stakeholder platform were built upon locally accepted norms and behaviours**. Positive examples of this approach were found in Niger, where the management of secondary wholesale markets was delegated to economic interest groups representing the stakeholders operating on the markets. In Uganda, the seed-oil multi-stakeholder platforms offered space for dialogue among all stakeholders.
326. In Senegal, national legislation defines a model for “interprofessional commodity organizations” out of a solidly rooted tradition of dialogue among social groups and of decades of experience with cash-crop value chains. IFAD-funded projects extended this to the staple-food-crop value chains, offering opportunities to those who had an entrepreneurial vision, in a social context where self-promotion is accepted and valued for people of all backgrounds.
327. At the same time, the CLE also found less robust cases. For example, only some of the value chain working groups established in Mauritania were active at project completion. In the HVAP in Nepal, a coordination mechanism among producer organizations and private-sector actors was established for each value chain, and effectively facilitated the development of business links. However, in the absence of long-term arrangements for sustained collaboration, interactions among stakeholders slowed markedly once the project ended.

328. Positive results in terms of social sustainability were also found where producer organizations engaged with private companies that had a strong commitment towards **corporate social responsibility and decisions made by some producer organizations to provide additional benefits to their members and communities** beyond incomes and jobs. These included: (i) Honduras, where some producer organizations, in particular those involved in fair trade, took steps to improve employment terms and conditions, including training young people, installing air-conditioning in processing plants, and involving women in gender committees; (ii) Rwanda, where an all-women cooperative including widows of genocide victims and wives of perpetrators in prison was established, offering an opportunity to members who suffered from social ostracism to re-build livelihoods and re-integrate into their communities; (iii) Sao Tome and Principe, where the cocoa-exporting cooperatives started investing in social infrastructures such as bridges and children's nurseries and in social initiatives (medicines and funerals), thus passing on their benefits on to others in the communities; and (iv) Uganda, with access to the Internet, permanent landing structures for islands, and inland roads.

329. On a less positive note, **the CLE found virtually no evidence of "decent work" principles being integrated into value-chain-relevant projects.** The only case where attention was given to improving working conditions for labourers was in Honduras. In general, it was not clear in a number of countries whether IFAD-supported cooperatives and private-sector actors complied with national standards for a minimum wage or other workers' entitlements. This was recognized by some interlocutors among senior managers and technical experts in IFAD as an issue of concern, whereas others considered it to be beyond IFAD's mandate.¹⁰⁰

330. **In sum**, where value-chain-relevant projects established multi-stakeholder platforms and their management mechanisms by building upon traditional social and cultural mechanisms, and national policies (where these were in place), stronger and longer-term engagement and a sense of ownership for the endeavour among stakeholders were more likely. Another

¹⁰⁰ IFAD Management noted that applying the decent work agenda in agriculture and in rural areas where employment is much more informal, part-time and/or seasonal, or relies on family or community labour, is challenging and difficult to monitor. The CLE acknowledges this but considers that the aspect is important and not to be disregarded.

key factor was the commitment of all parties to corporate social responsibility and to the fair distribution of benefits and the inclusion of more vulnerable people or groups. To date, IFAD has devoted little attention to fostering compliance with decent work principles, which is a gap, considering the prominence of this issue for the SDGs.

C.4 Sustainable natural resources management

331. In 2011, IFAD approved its **Environment and Natural Resources Management Policy**, with the purpose of integrating the sustainable management of natural assets across the funded projects. The policy includes ten core principles to guide IFAD's interventions, among which are some that have a direct bearing on value chain development.¹⁰¹ The CLE review indicates that, in line with the policy, value-chain-relevant projects gave increasing attention to sustainable natural resources management, with 80 per cent of the projects including explicit references in the design and implementation-related activities. Of these, 68 per cent had been approved since 2012 (one year after approval of the policy).¹⁰² Consideration of natural resources was not always central to the value chain interventions, but this aspect was broadly taken into consideration.

332. **Most projects addressed natural resources management through capacity-building and technical assistance** aimed at the adoption of improved practices for soil and water conservation, reforestation and more sustainable cropping practices, e.g. intercropping, use of manure, and proper management of chemical inputs.¹⁰³ Of the projects that included provisions for natural resources management at the design level, just over half achieved positive results according to the available evidence.

¹⁰¹ The relevant principles are: 1, which commits IFAD to promoting "scaled-up investment in multiple-benefit approaches for sustainable agricultural intensification," which entails the identification and promotion of "locally adapted, pro-poor, sustainable agricultural intensification techniques that recognize the complexity of people's interaction with landscapes;" 2, which commits IFAD to recognizing the "importance of maintaining the health of natural asset – or where possible explicitly measured, so that management of the natural environment and its well-being are appropriately costed over time;" 4, whereby IFAD should promote greater attention to risk and resilience in order to manage environment and natural-resource-related shocks; and 5, which makes explicit reference to the need to engage in value chains to drive green growth, taking opportunities of the intentions of major global food purchasers to pursue sustainable-agriculture purchasing standards to link poor rural people, who in many cases are already practising low-input production techniques, to national and international markets.

¹⁰² These values refer to all the value-chain-relevant projects approved by IFAD between 2007 and 2018, regardless of the CLE direct assessment.

¹⁰³ Support for irrigation development and rainwater-harvesting is discussed in the subsection on Resilience and adaptation to climate change.

TABLE 10

Perception of IFAD staff and project managers on key value chain project results

	Average IFAD staff	Average project managers	P value
Better capacity of producer organizations regarding the quality of production	5.0 (agree)	5.1 (agree)	0.200
Better capacity of producer organizations on processing and marketing aspects	4.7 (agree)	5.0 (agree)	0.202
Better capacity of producer organizations on planning, management and negotiation	4.6 (agree)	4.8 (agree)	0.39
Increase in assets and incomes of the rural poor	4.9 (agree)	5.3 (agree)	0.03**
Improvement in food and nutrition security of the rural poor	4.6 (agree)	5.1 (agree)	0.002***
Improvement in poor rural women's status and decision-making power	4.5 (moderately agree)	5.0 (agree)	0.02**
Improvement in economic opportunities for young people	4.2 (moderately agree)	4.9 (agree)	0.016**
Sustainable management of natural resources	4.1 (moderately agree)	4.9 (agree)	0.0004***
Resilience of poor rural producers to climate change	4.1 (moderately agree)	4.8 (agree)	0.008***
Number of observations	62	121	

** Difference is significant at 5%; *** difference is significant at 1%.

Ratings: 1 = firmly disagree; 2 = disagree; 3 = moderately disagree; 4 = moderately agree; 5 = agree; 6 = firmly agree.

Source: CLE e-survey (2018).

However, for about 15 per cent of them, either results were not achieved or they were mixed. For all others, no information was available or it was too early in the project's life.

333. Making allowance for the complexity of measuring the effects of these initiatives on the natural resources base, the CLE found some anecdotal evidence of positive results, for example:

- In Honduras, PROMECOM led to a substantial increase in the percentage of producer organization, rural enterprises and households applying environmental and climate-friendly practices, such as water and waste management.
- In China, the development of cash-crop value chains that require less water than does rice has led to reduced demand for irrigation water.
- In Indonesia, the CCDP addressed value chain development of aquatic fish and non-fish resources by diversifying catch to avoid overfishing of specific species and depletion of the coastal natural resources.

334. Among the factors contributing to the adoption of sustainable environmental practices, the CLE found that mandatory environmental impact assessments in business plans have been a successful tool, as happened in El Salvador, Honduras, and SHoMaP in Kenya.

335. Moreover, in those projects that supported **value chains of non-timber forest products and of organically grown products** for niche markets, in particular, specialty coffee, tea, spices, mushrooms, and medicinal and aromatic plants, results have been beneficial in terms of stronger environmental sustainability and improved natural resources management.¹⁰⁴ Among many examples, in Rwanda, coffee trees were beneficial as they could be planted on steep slopes at a lower investment cost than other crops and contribute to soil protection and conservation through deep roots (also in the absence of terracing), and maintain endemic vegetation that requires tree canopy in order to grow.

¹⁰⁴ These represent 21 per cent of all projects assessed.

336. In some other cases, including in Nepal, Rwanda, and Sao Tome and Principe, the achievement of **certifications, such as those for organic products and those of the Rainforest Alliance** by several producer organizations supported through IFAD-funded value-chain-relevant projects, confirms the good levels of adoption of environmentally sustainable practices. By emphasizing the use of organic products, instead of synthetic fertilizers and pesticide, PRODEMOR CENTRAL in El Salvador led to changes in cultural behaviours that had been causing damage to the environment. It also promoted the initial development of a national pro-poor organic certification mechanism.
337. However, in the Republic of Moldova, in Senegal, and in the SDP in Sudan, alongside the introduction of some positive environmental practices, the push to increase productivity and production for marketing and value chain development led to highly intensive use of chemical inputs, including fertilizers, pesticides and herbicides. A similar risk emerged in Nepal, where the focus of both the HVAP and ISFP on the goat value chain, leading to the growth of herd sizes, can potentially be detrimental to the already fragile mountainous and hilly landscapes, despite the projects' efforts to introduce stall feeding.
338. Other environmentally sustainable practices introduced through value-chain-relevant projects included **renewable energy sources**, mostly but not exclusively for post-harvest and processing. These included: processing equipment in Burkina Faso and El Salvador; solar energy panels to power rural buildings and water pumps in Bosnia and Herzegovina and Senegal; and drying equipment in PASP in Rwanda. However, the AMD in the Mekong Delta in Viet Nam, while supporting the development of shrimp farming, did not consider the significant energy inputs required to oxygenate water and to operate pumps for water quality regulation.
339. With regard to the **use of resources for and impacts of produce handling and processing**, one positive record was found in China regarding an improvement in the drying technology that reduced the demand for fuelwood. However, the CLE also found that projects tended to give limited attention to environmental sustainability where establishing processing plants as part of value chain development. This led to: an excessive use of water and fuelwood in Cameroon, and an increase in waste, for which no mitigating measures have been introduced; and food safety issues and excessive water extraction in Sao Tome and Principe for the pepper processing plant, although a water treatment plant is being funded as a mitigating measure.
340. **Projects do not yet appear to have played a pivotal role in promoting discussion on environmental policies or industry standards.** As an example, the CSPE in Cambodia underlined the importance of setting standards for green and organic product certification, and noted that IFAD-funded projects had not yet significantly engaged in the discussion. Similarly, in Viet Nam, while for some commodities (e.g. tea) projects seemed to follow good agricultural practices, in others (e.g. freshwater aquaculture) there was no awareness of the risks of health hazards, chemical pollution and indigenous fish stock preservation.
341. **In sum**, overall, IFAD's value-chain-relevant projects have subscribed to various sustainable natural resources management practices, but uneven attention has been devoted to: (i) the identification and support of alternative, greener practices and certification mechanisms in agricultural production and processing, to reduce both input costs and environmental costs; and (ii) engagement in the discussion on policy and industry standards.

C.5 Resilience and adaptation to climate change

342. In 2010, IFAD issued a **Climate Change Strategy** to foster a "climate-smart" organization and to help ensure that its core programmes, policies and activities systematically integrate climate change together with other risks and themes. Developing the resilience of small-scale and poor producers to climate change is one of the three pillars of the strategy, along with taking advantage of mitigation-funding opportunities and contributing to a dialogue on climate change, agriculture and food security.
343. The CLE profiling exercise indicates that, in line with the strategy, value-chain-relevant projects gave increasing attention to climate change adaptation, with 72 per cent of the projects including explicit references in the design and implementation-related activities, and 81.4 per cent of these had been approved since 2011 (one year after the promulgation of the strategy).¹⁰⁵

¹⁰⁵ These values refer to all the value-chain-relevant projects approved by IFAD between 2007 and 2018, regardless of the CLE direct assessment.

344. One approach to adaptation was the introduction and diffusion of climate-resilient crops and varieties, as well as livestock breeds. These included: high-value crops with lower demand for water in China; drought- and cold-tolerant (depending on elevation) olive and almond tree varieties in Morocco;¹⁰⁶ resilient Sichuan pepper (*timur*) and cross-bred goats of imported Boer goats with local breeds in Nepal; and cereals with shorter growing cycles in Niger and Senegal.

345. Over the period under evaluation, the **IFAD Adaptation for Smallholder Agriculture Programme (ASAP), the Global Environment Facility (GEF) and the Green Climate Fund** contributed financial resources to 28, 13 and 3 value-chain-relevant projects, respectively, while a further five received funds from both ASAP and GEF. Typically, the purpose of the additional funds was to integrate climate change adaptation measures into the primary production and post-harvest steps of the value chains. For example:

- In PROSUL in Mozambique, ASAP funds contributed to identifying and financing the digging and equipping of solar-powered water boreholes for human and livestock consumption, and to other equipment for more resilient horticulture and cassava production.
- In PASP in Rwanda, ASAP funds represented an additional subsidy to: matching grants for climate-resilient storages, with proper ventilation to face increasing temperatures; rainwater-harvesting; solar energy for equipment such as dryers; a meteorological information system for agriculture through mobile phones. Moreover, within the project, business plans were approved only after a climate-change resilience screening.
- In the AMD in Viet Nam, the project worked on monitoring and containing (through dykes and dams) the effects of salinization on inland waters and, hence, negative impacts on cropping patterns. In addition, it turned a problem into an economic opportunity, as salinization of water slightly reduced the yield of coconut plantations but enabled shrimp farming in the irrigation canals. Funding from ASAP in another project in Viet Nam,

3PAD, contributed to crop diversification from rice to maize and afforestation activities. In Viet Nam, access to ASAP funding made a difference, as shown by the fact that projects without ASAP funding (the CPRP and TNSP) did not have clear climate-resilient elements in their design or implementation.

346. As with natural resources management, a number of positive cases of climate-sensitive choices of product or techniques were observed. To a large extent, this was a result of broader compliance with IFAD's Climate Change Strategy. In some cases, climate change considerations were integrated with value chain design. In many cases, a crucial factor was the availability of funding from ASAP and GEF.

347. **Perceptions of IFAD staff and project managers on key results.** Table 10 presents the perceptions of IFAD staff and project managers on the main results areas of the projects. Project managers almost uniformly agreed that projects had made improvements across all domains (their average ratings were high, ranging from 4.8 to 5.3). Similar to other e-survey findings, IFAD staff were more cautious in their responses. There was more variation (from 4.1 to 5.0) in their average ratings, and these were significantly lower than those of project managers. IFAD staff were most convinced about improving the capacity of producer organizations and incomes for households and food and nutrition. They were less satisfied with results on rural women's status and opportunities for young people, and least satisfied with results on sustainable natural resources management and climate change.

D. Mapping of the main findings: an overview

348. This section provides a synoptic view of the assessment of the main achievements of interventions supporting value chains. In order to develop this, the CLE introduced two main criteria: (i) level of development of value chains; and (ii) degree of pro-poor outcomes of value chain development. This analysis was possible for about two thirds of the projects reviewed by this evaluation (47 out of 77 projects). This classification needs to be viewed with caution, given: (i) the fragmented status of information available; (ii) the different stages of project implementation (some closed, some still ongoing); (iii) the fact that the value chains observed by this CLE had a range of starting points prior to IFAD interventions, and the level of value chain advancements cannot be fully attributed to IFAD-funded projects; and

¹⁰⁶ In the PDFAZMH in Morocco, the selection of olive and almond varieties was informed by climate considerations but uneven attention was paid to consumer preferences and market prices, which are essential for economic viability.

(iv) within the same projects, there may be several value chains, which in some cases have been classified differently.

349. **Level of development of value chains.**

Project value chains were categorized on a three-point scale as having an incipient, intermediate or advanced level of development. The classification follows the conceptualization of value chains presented in chapter 1. Incipient value chains were defined as those that involve

the primary steps of mobilizing small-scale producers, providing training on productivity and quality, improving access to inputs and production credit, and building feeder roads and simple market infrastructure for improved market access (for further details, see annex II, table 3). At the intermediate level, the focus was on organizational strengthening and functional upgrading for producer organizations, incipient development of vertical linkages, financial resources for value chain infrastructure and

TABLE 11

Mapping of value chains by level of development and pro-poor outcomes

Level of value chain development	Degree of pro-poor outcomes		
	Low Poor performance on most criteria	Medium Reasonable performance on four criteria or good on two	High Good performance on four criteria
Advanced	A	B	C
	<ul style="list-style-type: none"> • Bosnia and Herzegovina RLDP • Bosnia and Herzegovina RBDP 	<ul style="list-style-type: none"> • El Salvador PRODEMOR CENTRAL, POs A+B^a • El Salvador Amanecer Rural, POs A+B • Honduras Emprende Sur, POs A+B • Nepal HVAP - apples, goats, off-season vegetables • Nepal ISFP - goats • Rwanda PRICE - tea 	<ul style="list-style-type: none"> • Rwanda PRICE - coffee • Rwanda PASP - milk • Sao Tome and Principe PAPAC - export crops • Senegal PAFVAE • Nepal HVAP - timur • Indonesia CCDP (fishery)
Intermediate	D	E	F
	<ul style="list-style-type: none"> • Cameroon PADFA • China DAPRP • Guyana READ • Kenya SDCP • Republic of Moldova RFSADP - table grapes • Mozambique PROMER 	<ul style="list-style-type: none"> • Bangladesh PACE • Bangladesh FEDEC • El Salvador PRODEMOR CENTRAL - POs C+D • El Salvador Amanecer Rural, POs C+D • Honduras Emprende Sur - POs C+D • Honduras PROMECOM - all value chains, all POs • Ghana NRGF - maize, sorghum, soybean • Viet Nam TNSP - tea; orange • Rwanda PRICE - sericulture • Morocco PDFAZMH - apples, dairy, olives • Morocco PDFAZMT - olives, almonds 	<ul style="list-style-type: none"> • Niger PASADEM • Niger ProDAF • Rwanda PASP - maize • Senegal PADAER • Uganda VODP • Uganda PRELNOR • Viet Nam AMD Ben Tre - ornamental leaves, coconut
Incipient	G	H	
	<ul style="list-style-type: none"> • Burkina Faso PASPRU • China HARIIP • China, YARIP • Georgia AMMAR • Mauritania ProLPRAF • Republic of Moldova RFSADP - fruits, vegetables, dairy, honey • Morocco: PDFAZMH - sheep and goat • Morocco PDFAZMT - sheep, goats • Mozambique PROSUL • Sri Lanka NADeP • Sudan SDP • Indonesia SOLID 	<ul style="list-style-type: none"> • Bangladesh NATP 1 • Bangladesh NATP 2 • Cambodia Tonle Sap • China GIADP • Kenya SHoMaP • Nepal HVAP - vegetable seeds • Nepal ISFP - vegetable seeds • Viet Nam AMD Ben Tre - shrimp • Sudan Gum Arabic 	

^a In El Salvador and Honduras, producer organizations are categorized by projects according to their level of development, and project activities are tailored to this categorization.

A and B organizations are targeted for more advanced value chain development, while C and D are targeted for basic (incipient) and intermediate value chain development.

technology (such as warehouses, cold stores and processing machinery), and organized marketing of products. Advanced value chains involved a higher level of product, process and functional upgrading (such as through certification or branding), more specialized technical assistance and capacity-building (including on financial literacy and business management), finance for investment and working capital, development of purchase agreements with buyers, some form of risk management and market information systems, and structured dialogue among value chain stakeholders, including government bodies, for example, through multi-stakeholder platforms.

350. Projects (or specific value chains within projects) were categorized according to which of these three levels they most closely fitted with, with the CLE team being cognizant that the process of value chain development does not always proceed in the order just described and that there are differences between value chains.

351. **Degree of pro-poor outcomes.** In line with the definition provided in chapter 1 and findings in previous chapters, four criteria were used for categorizing the degree of pro-poor outcomes: (i) inclusiveness (i.e. degree of actual poverty outreach); (ii) empowerment of people and groups; (iii) size of benefits for the poor (e.g. income, and food security); and (iv) perspectives for sustainability of benefits for the poor. Value chains considered strong on all of these criteria were categorized as “high” in terms of pro-poor outcomes. Value chains strong on only two criteria, or for which performance was reasonably good across all four criteria, were rated as “medium”, while those with poor performance on most criteria were categorized as “low”.

352. Table 11 shows the categorization along the two dimensions of value chain development and pro-poor outcomes. While, for simplicity, the classification uses country names and project acronyms, this refers to the project value chain elements (a project may have a high level of performance overall but not on the value chain components and vice versa). Each “dot” represents either the entire set of value chains supported by a project or a subset of these. Some projects may appear more than once in the classification; and every time they appear, it is for a different subset of value chains.

353. **Looking at the level of value chain development, the most prevalent category is intermediate, followed by incipient and then**

advanced, showing that a large number of value chains reviewed by this CLE are still at a relatively early stage of development. The proportion of value chains having reached a relatively advanced stage of development was about 24 per cent of the table entries (number of dots) in table 11, with intermediate at 40 per cent and incipient at 36 per cent. As noted, the level of value chain development cannot be simply attributed to IFAD-funded projects. It also depends on the situation at the start-up point.

354. **Regarding the categorization of pro-poor outcomes, again the most prevalent are the medium and low levels followed by the high level.** The high level represents about 22 per cent of all those classified in the table, the medium 44 per cent and the low 34 per cent.

355. The cases where the categorization was both at least intermediate or advanced for value chain development, and medium or high for pro-poor outcomes represented 51 per cent of all cases in table 11. Those that were rated as both advanced for value chain development and high for pro-poor outcomes represented 10 per cent. The combinations of the two criteria are briefly reviewed below. An important caveat is that correlation needs to be treated with attention, because the causal chain is complex and involves local traditions, culture, public policies and the situation before the project start-up, as well as market conditions (which are subject to change).

356. In table 11 and in the overall report findings, **no strong pattern emerges regarding the different types of commodities** (e.g. cash crops versus staple crops; or perishable versus non-perishable) in terms of value chain development or in terms of pro-poor outcomes. The CLE found some evidence that, in projects focusing on niche value chains (e.g. specialty coffee or cocoa, or organic products) and to some extent dairy, small producers benefited from higher and less variable prices. It also found some evidence that labour-intensive products and production processes facilitated outreach to very poor groups. However, there were also exceptions to the above, as well as successful cases of projects supporting traditional food products. The above may be prima facie counter-intuitive. A possible way to explain these findings is that factors other than the type of commodities played a stronger role. These factors concerned: (i) project implementation performance (where project implementation was slow, the value chain components suffered most, regardless of the type of commodity); and (ii) the situation prevailing before the project started (for example, in some

- cases, the commodity chain may have been a long and complex one but it was already well established before the project started, and the project's role was to ensure that small producers became better connected with an existing chain, rather than establishing a new chain).
357. Value chains with **low pro-poor outcomes were concentrated within incipient and intermediate value chain development cases** (sectors G and D in table 11), with only two cases in advanced value chain development cases (A). Instead, the medium pro-poor outcome subcategory was more evenly distributed between value chain development subcategories (B, E and H). Highly pro-poor value chains were concentrated among the advanced and intermediate value chains (C and F), with no observation in the cell for incipient value chains (I).
358. Bearing in mind the above qualifications, these findings are consistent with the conceptualization of value chains proposed in chapter 1 and with other findings that have emerged in the report. The cell corresponding to incipient value chain and low degree of pro-poor outcomes (G) shows that about a fifth of the projects / value chains classified were not successful, either in developing value chains or in benefiting poor people. Many of these projects were indeed challenging as they had to break the ground on value chain development. In addition, they did not feature a well-defined value chain approach. They sometimes fell short of implementing post-production phases or only started dealing with them just before completion, without sufficient attention to crucial aspects, such as governance (e.g. in Sri Lanka) or the presence of monopsony conditions (e.g. in PROSUL in Mozambique). A similar context prevailed where value chain development was classified as incipient but pro-poor outcomes were assessed as medium (H). However, here more attention was devoted to the outreach to poor and very poor producers.
359. The cases where **outcomes were low pro-poor but value chains were at an intermediate or advanced status** (A and D) generally corresponded to commodities for which markets may have been relatively well developed and where a number of actors existed in different functions (e.g. production, aggregation, transformation, and domestic sales or export) but had a **weakly developed governance system**. The flow of payments, financing and information between different functions and actors was not effective. In the case of Bosnia and Herzegovina, there was a risk of elite capture – members of producer cooperatives were mostly not poor farmers and projects did not pay sufficient attention to this.
360. The cases **where value chains were at an intermediate level of development and the pro-poor outcomes were medium** (E) corresponded to situations where contractual relationships between producers and processors or retail companies were not well developed before receiving project support. On the other hand, projects did rather careful targeting or had a robust production development or infrastructure (including physical market space) component and strengthened vertical linkages with some form of purchase agreements. However, in all these cases, projects **paid little attention to establishing multi-stakeholder platforms**, with the exception of Ghana where, anyway, these platforms functioned only at the district level. Another limitation was the short duration of projects relative to the time required to develop a collective enterprise managed by a cooperative or producer associations (e.g. PROMECOM and Emprende Sur in Honduras, and the PDFAZMH and PDFAZMT in Morocco), which meant that many of them were not viable at the time of project closure.
361. A further interesting combination occurred **where the value chain development was at an intermediate level and the degree of pro-poverty was high, or vice versa**. In the former case (F), projects worked both on strengthening existing business relationships and networks between value chain stakeholders, while also supporting the local social capital. There was some initial organization of producers (although stakeholder platforms were not yet fully developed) and the focus was kept on very poor producers and women, including quasi-landless groups (e.g. for ornamental leaves in Viet Nam,). In the latter case (B), **multi-stakeholder platforms and interprofessional associations had emerged but were not yet sustainable** financially or institutionally. Moreover, projects had not paid full attention to preparing very poor producers for value chain participation. In the HVAP in Nepal, preference had been given to farmers that were already involved in the supply chain of fruits and vegetables.
362. Finally, the combination of **advanced value chains and high pro-poor outcomes** (C) is marked by situations where IFAD had a **long intervention history** (notable are the examples of Rwanda, Sao Tome and Principe, and Senegal) and where, after working on enhancing basic conditions and productivity

(agricultural and non-agricultural activities), projects had also worked on reinforcing multi-stakeholder platforms and interprofessional associations. This marked a **shift from buyer-driven or market-based governance towards forms of more relational governance**. The long-term engagement starting from the bottom and progressively moving up the level of

sophistication and functions in a value chain guaranteed a continuous focus on poor groups. In addition, IFAD and the government had time to accumulate knowledge of the project area and its poverty situation, as well as business development opportunities. In some of these cases, the normative and regulatory environment on value chains had also evolved.

Key points

- Sustainability varied widely. Economic and financial sustainability was higher where the choice of value chain was made based on sound market analysis, and where producers and processors accessed affordable financial services. Institutional sustainability was bolstered by commitment and leadership at the senior policymaking level and by intensive capacity-building of cooperatives and producer organizations. Social sustainability was enhanced where there were well-functioning multi-stakeholder platforms and commitment to corporate social responsibility.
- Overall, IFAD-funded value-chain-relevant projects contributed to more sustainable natural resources management and to the generation of positive environmental impacts. Yet, uneven attention was devoted to:
 - (i) supporting alternative, greener practices;
 - and (ii) engaging in industry-standard discussions. Inclusion of climate change adaptation measures was more likely to be integrated in value chain selection where financing via ASAP and GEF was available.
- The CLE mapped projects and value chains in relation to: (i) the level of development of value chains; and (ii) the degree to which value chains were generating pro-poor outcomes. Performance in these two dimensions depended on the starting point before IFAD-funded interventions as well as on the performance and implementation stage of the projects. The CLE did not observe clear commodity-related patterns, except some evidence that projects supporting some niche products, and to some extent dairy products, were supported by less variable prices. It also found that a focus on labour-intensive products and processes could help outreach to poor and very poor groups.
- Most of the value chain interventions were classified as being at an intermediate development stage (41 per cent), followed by incipient (36 per cent) and advanced (23 per cent). Similarly, in terms of pro-poor outcomes, most of the cases were classified as medium (44 per cent), followed by low (34 per cent), and high (22 per cent). About 20 per cent were both incipient and low, and 10 per cent were both advanced and high.
- The combination of advanced value chains and high pro-poor outcomes occurred where IFAD had prior intervention experience, and where projects had worked on reinforcing multi-stakeholder platforms and interprofessional associations. This long-term engagement, starting from the bottom and progressively moving up the level of sophistication and functions in a value chain, supported a focus on poor groups.



BOSNIA AND HERZEGOVINA

Working together with his wife, Halid Vokovic produces vegetables and raises rabbits and sheep on their organic family farm in the village of Baksais.

©IFAD/Paolo Marchetti

6. Conclusions and recommendations

A. Conclusions

- 363. IFAD-funded value-chain-relevant projects expanded in number to dominate the portfolio by IFAD10.** Between IFAD7 (2007-2009) and IFAD10 (2016-2018), the proportion of value-chain-relevant projects approved increased from 41.5 per cent (50 per cent of the Programme of Loans and Grants) to 72.3 per cent (80 per cent of the Programme of Loans and Grants). While the centrality of value chain development varied between projects, and many projects continued to support primary production, the above trends marked an important shift in IFAD's project portfolio.
- 364. The transition towards value chain approaches was remarkable, but it occurred without a shared conceptual framework and its complexity was not fully appreciated.** The concept of value chain development was relatively new to IFAD. No corporate strategy was prepared in order to clarify what was meant by value chain development, through what pathways small producers and the rural poor could capture more value from the chain, and how IFAD's targeting approach should evolve. The first knowledge products were issued only in 2012. The absence of a more coherent corporate approach to value chain development and the heterogeneous situations on the ground led to inconsistent interpretations.
- 365. IFAD technical advisors have been stretched to support a rapidly growing value-chain-relevant portfolio.** Value chain interventions need a deeper level of analysis at design, and the capacity to respond and re-adapt during implementation through a swift feedback loop. There was no coherent corporate or regional initiative to partner with international technical agencies or other sources of expertise. Few staff members had experience in value chains or familiarity working with the private sector, which had become a vital partner. Country teams relied heavily on consultants. Mid-term reviews helped revise project design but, as they were conducted after four of five years of project implementation, the time left to make changes before project completion was limited.
- 366. The matter of the capacity of project managers and project technical staff received limited attention.** Project units, under the responsibility of the borrowing government, are responsible for project implementation. Many project staff members had a track record on "traditional" production-oriented projects but no familiarity with the notion of value chain, or with marketing, and no private-sector experience. They were overwhelmed with additional tasks and objectives. As documented through the CLE, it is a matter of concern that project staff members did not acknowledge these issues.
- 367. Project design has evolved notably. However, there are analytical gaps, and critical elements for value chain success are missing.** In the best cases, the design of value-chain-relevant projects emerged from previous projects that had tackled poor people's basic needs and low productivity. These had reduced local production constraints and provided the government and IFAD with some knowledge of the project area and its potential for value chain development.
- 368. While the CLE found cases of sound design, many project designs suffered from analytical gaps.** Most did not question explicitly whether the conditions for applying a value chain approach were in place, as opposed to focusing on other needs and upgrading production. Designs did not discuss the realism of the proposed time frame – it often requires more than a single project phase to address a given value chain function. Moreover, few designs were based on some form of market intelligence to guide the choice of commodities and the functions of the value chain to be prioritized in order to optimize pro-poor outcomes.
- 369. Most projects included a mix of production and process upgrading. Some considered governance issues. Few paid attention to policy**

- and regulatory systems and to information and communication technology.** Product upgrading and strengthening of horizontal linkages (i.e. strengthening producer organizations) were the most common approaches to value chain development. They were close to the “traditional” features of the design of IFAD-funded projects. Policy issues and market information systems were addressed in a minority of cases. The above may reflect both the time required to strengthen the production function before addressing other value chain functions, as well as some lack of clarity on pathways and priorities for optimizing benefits for the rural poor.
370. The CLE identified the importance of value chain governance for pro-poor outcomes. Two thirds of the projects addressed governance issues, mostly through purchase agreements and 4Ps-type arrangements. More far-reaching results occurred where projects had supported multi-stakeholder platforms and these were operational. The platforms built trust between producers and other value chain stakeholders and opened up space for dialogue and coordination around input supply, market infrastructure, market information and dispute resolution. However, they were often dependent on project support.
371. Few projects focused on market information systems, and those that tried to establish them faced difficulties during implementation. This is a gap. The flow of information between value chain stakeholders is important, and even more so is the need to enhance transparency of information at all levels. There was also little emphasis on information and communication technology, which can reduce transaction costs, enhance the transparency and fairness of transactions, and help small producers follow market trends and make decisions accordingly.
372. **Most rural finance instruments envisaged by the projects were conventional ones** (e.g. linkage of banks with village-level groups, credit lines, and matching grants) **rather than value chain-specific.** Most projects provided basic financial services to producers, grass-roots groups and microenterprises. However, SMEs and cooperatives had limited access to finance at an affordable price. This generated cash-flow problems and constrained their capacity to procure produce from small producers, who resorted to side-selling. The CLE noted recent IFAD attention to non-sovereign loans but found limited efforts to partner with impact investors and specialized agencies.
373. Overall, the evidence suggests that **it is possible to reach out to poor and very poor small-scale producers through value chain approaches but that this requires specific attention.** Most projects included beneficiaries with different levels of poverty. This was a positive fact, given that value chain development entails working with stakeholders with diverse skills and roles (e.g. producers, processors, workers and service providers). Moreover, producer organizations need the volumes, skills and networks of better-off producers to meet market requirements. However, a focus on poorer groups was not always maintained. This was due to insufficient attention given to the barriers to entry facing poorer producers, for example: (i) minimum size of land or capital investment for certain commodities; (ii) need to improve production, productivity and product characteristics (e.g. calibre and appearance) to achieve market grade; (iii) the tendency of agribusinesses to continue working with the same producers and a reluctance to engage with scattered producers; and (iv) limited information available to small producers on markets, price formation and trends.
374. The degree of women’s participation in projects depended largely on the value chains selected and whether or not affirmative action measures were in place (e.g. quotas). In some projects, women were the majority of participants (e.g. food crops and food processing). Where women were directly involved in project activities, there was some evidence of economic empowerment through access to resources and income generation, as well as of more participation in the governing bodies of grass-roots organizations. There was least evidence on achieving an equitable balance between women and men in workloads and benefits.
375. Although nearly two thirds of projects reached young people, there was little evidence on the results achieved. Barriers to youth involvement in value chains included lack of access to land and other resources, and little investment in vocational training linked to value chain development. Opportunities for rural youth employment are likely to occur in processing or service industries closely affiliated with agriculture. To date, few projects have focused on these.
376. **There is clear potential for value chain projects to have an impact on poverty although better evidence is needed.** While the evidence is fragmented, there is an indication that mechanisms are in place that can generate positive changes in the incomes and assets of the rural poor through a combination of:

(i) improved yields and quality of products, and a shift to higher-value commodities; (ii) higher or more stable prices; (iii) capturing more value through functional upgrading and reducing (but not eliminating) the role of intermediaries; (iv) reducing storage costs and post-production waste; and (v) employment generation (although this is not well documented overall). Some effects on food security were observed but there was less evidence and there were challenges to attribution.

377. **Prospects for the sustainability of benefits were uneven.** Explanatory factors related to: (i) economic factors, such as economic analysis and market intelligence support at the time of selecting value chains and securing access to affordable rural financial services; (ii) institutional factors, such as intensive capacity-building at all levels; and (iii) social factors, such as ownership and trust among the main stakeholders, which could be promoted by supporting multi-stakeholder platforms, and by introducing principles of corporate social responsibility and of “decent work.”
378. **Long-term IFAD support and attention to governance issues were associated with stronger performance.** The CLE made a classification according to: (i) the level of development of value chains; and (ii) the degree to which value chains were generating pro-poor outcomes. Most value chain interventions were classified as being at an intermediate development stage or as medium pro-poor performance outcomes. There were no clear patterns related to the types of commodities. All the rest being equal, the combination of advanced value chains and high pro-poor outcomes occurred where IFAD had prior intervention experience and where projects had worked on reinforcing multi-stakeholder platforms and interprofessional associations.

B. Recommendations

379. **Recommendation 1. Prepare a corporate strategy for IFAD’s support to value chain development.** The strategy should harmonize with other relevant operational policies of IFAD (e.g. private-sector strategy, targeting, natural resources management, and climate change adaptation). It should lay out a common conceptual framework for pro-poor value chain development, and clarify IFAD’s overall objectives and principles of engagement. It should establish the institutional arrangements, and the human and financial resources required. Key thematic elements of the strategy are presented below.
380. **Recommendation 2. Adopt a programmatic approach to value chain development.** Value chain development requires long-term engagement and multiple-phase support. Project designs should systematically assess the degree of preparedness for value chain support, taking into account the local context and previous experience of the government, IFAD and other partners. The assessment would help focus on the priorities for value chain strengthening. If the preparedness assessment so concludes, a more traditional project approach (e.g. community development, basic needs, or production upgrading) may be a justifiable entry point to pave the way for value chain development in the future.
381. **Recommendation 3. Promote outreach to poor and very poor groups and gender equality.** Project designs should lay out a theory of change explaining how benefits will reach very poor producers (directly and indirectly, including through wage employment generation), and identify the major barriers and how to overcome them. Good practices recorded in this CLE may be considered, such as: (i) developing territorial economic corridors and clusters to enhance value-addition and access to markets; (ii) focusing on commodities and production processes that are intensive in low-skilled labour inputs; (iii) stipulating and enforcing pro-poor conditionality for supporting agribusiness; (iv) continuing investment in technical packages to improve productivity and product quality; (v) investing in vocational training for young people, and supporting them in creating service-provider enterprises linked to value chains; and (vi) investing in information and communication technology to reduce transaction costs and enhance transparency.
382. Ensure project designs include gender analysis for the proposed value chains and specify the strategies and measures for promoting gender equality, such as support for commodities and value chain functions that women are heavily involved in, and affirmative action to enable them to take on new roles in male-dominated chains. As well as meeting women’s practical needs for income generation, projects should pay attention to the structural causes of inequality, including inadequate representation of women in decision-making bodies, social norms related to women’s and men’s roles and entitlements, and illiteracy.
383. **Recommendation 4. Promote inclusive value chain governance and an inclusive policy and regulatory environment.** Projects should aim at establishing, or strengthening, inclusive multi-

stakeholder platforms and interprofessional associations that provide small-scale producers and other value chain stakeholders with: (i) information on prices and markets; (ii) a venue for dispute resolution; and (iii) a voice in discussing the policy and regulatory system (e.g. standards, certification, labelling) and its enforcement. IFAD and partners can learn from the experience of well-established interprofessional associations including from non-borrowing countries.

384. **Recommendation 5. Strengthen partnerships to enhance market intelligence throughout the project cycle.** IFAD should collaborate more regularly with international organizations, national technical agencies, think tanks, NGOs and others with strong value chain expertise. These partnerships could help build a platform to capitalize on mutual experiences and ensure that the entire project cycle is based on sound analysis of commodity markets and the constraints facing small-scale producers.

385. **Recommendation 6. Sharpen the approaches to financing value chains in partnership with organizations that have demonstrable experience.** IFAD needs to move beyond the

traditional financing of small-scale producers and address decisively value chain financing, particularly for financing enterprises and cooperatives that process and market produce. IFAD needs to cooperate with organizations with a proven record in this area, such as impact investors and specialized development organizations. A specific action plan would help establish priorities and could draw from a review of value chain financing experiences in both borrowing and non-borrowing Member States.

386. **Recommendation 7. Develop the capacity of project management teams and of IFAD staff.** This could include a combination of: (i) partnerships for capacity-building with specialized international agencies and service providers, including training programmes for project managers and IFAD staff; (ii) institutionalized peer-mentoring between project management teams; (iii) a web-based platform to exchange information on value chains and food systems and to establish a reference pool of expertise; and (iv) adjusting the requirements for the recruitment of project management teams, and for certain IFAD staff profiles, in order to include experience in value chain development and in the private sector.

Annex I

Project classification

TABLE 1

CLE classification of projects approved (2007-2018)

Type of intervention	Division	Country	Project	Approval year
Value chain	APR	Afghanistan	Community Livestock and Agriculture Project, CLAP	2012
Value chain	APR	Afghanistan	Support to National Priority Programme 2, SNaPP2 – AF	2015
Value chain	APR	Bangladesh	National Agricultural Technology Project, NATP	2007
Value chain	APR	Bangladesh	Finance for Enterprise Development and Employment Creation Project, FEDEC	2007
Value chain	APR	Bangladesh	Promoting Agricultural Commercialization and Enterprises (PACE) Project, PACE	2014
Value chain	APR	Bangladesh	National Agricultural Technology Project 2, NATP 2	2015
Value chain	APR	Bangladesh	Smallholder Agricultural Competitiveness Project, SACP	2018
Value chain	APR	Bhutan	Market Access and Growth Intensification Project, MAGIP	2010
Value chain	APR	Bhutan	Commercial Agriculture and Resilient Livelihoods Enhancement Programme, CARLEP	2015
Value chain	APR	Cambodia	Tonle Sap Poverty Reduction and Smallholder Development Project, TSPRSDP	2009
Value chain	APR	Cambodia	Accelerating Inclusive Markets for Smallholders, AIMS	2016
Value chain	APR	China	Dabieshan Area Poverty Reduction Programme, DAPRP	2008
Value chain	APR	China	Guangxi Integrated Agricultural Development Project, GIADP	2011
Value chain	APR	China	Hunan Agricultural and Rural Infrastructure Improvement Project, HARIIP	2012
Value chain	APR	China	Yunnan Agricultural and Rural Improvement Project, YARIP	2012
Value chain	APR	China	Shiyan Smallholder Agribusiness Development Project, SSADeP	2013
Value chain	APR	China	Jiangxi Mountainous Areas Agribusiness Promotion Project, JiMAAPP	2014
Value chain	APR	China	Qinghai Liupan Mountain Area Poverty Reduction Project, MAPRP	2015
Value chain	APR	China	Innovative Poverty Reduction Programme: Specialized Agribusiness Development in Sichuan and Ningxia, IPRAD-SN	2018
Value chain	APR	China	Sustaining Poverty Reduction through Agribusiness Development in South Shaanxi Project, SPRAD-SS	2018
Value chain	APR	Fiji	Fiji Agricultural Partnerships Project, FAPP	2015
Value chain	APR	India	Mitigating Poverty in Western Rajasthan Project, MPOWER	2008
Value chain	APR	India	Convergence of Agricultural Interventions in Maharashtra's distressed districts Programme, C-AIM	2009
Value chain	APR	India	Integrated Livelihood Support Project, ILSP	2011
Value chain	APR	India	Meghalaya: Livelihoods and Access to Markets Project, LAMP	2014
Value chain	APR	India	Fostering Climate Resilient Upland Farming Systems in the Northeast, FOCUS	2017

Type of intervention	Division	Country	Project	Approval year
Value chain	APR	Indonesia	Smallholder Livelihood Development Project in Eastern Indonesia, SOLID	2011
Value chain	APR	Indonesia	Coastal Community Development Project, CCDP	2012
Value chain	APR	Indonesia	Integrated Participatory Development and Management of Irrigation Project, IPDMIP	2015
Value chain	APR	Indonesia	Rural Empowerment and Agricultural Development Programme Scaling-up Initiative, READSI	2017
Value chain	APR	Indonesia	Youth Entrepreneurship and Employment Support Services (YESS) Project	2018
Value chain	APR	Lao People's Democratic Republic	Soum Son Seun Jai - Community-based Food Security and Economic Opportunities Programme, SSSJ	2011
Value chain	APR	Lao People's Democratic Republic	Southern Laos Food and Nutrition Security and Market Linkages Programme, FNML	2013
Value chain	APR	Maldives	Fisheries and Agriculture Diversification Programme, FADiP	2007
Value chain	APR	Maldives	Mariculture Enterprise Development Project, MEDEP	2012
Value chain	APR	Mongolia	Project for Market and Pasture Management Development, PMPMD	2011
Value chain	APR	Myanmar	Fostering Agricultural Revitalization in Myanmar Project, FARM	2014
Value chain	APR	Myanmar	Eastern States Agribusiness Project, ESAP	2015
Value chain	APR	Myanmar	Western States Agribusiness Project, WSAP	2018
Value chain	APR	Nepal	High Value Agriculture Project in Hill and Mountain Areas, HVAP	2009
Value chain	APR	Nepal	Improved Seeds for Farmers Programme, Biu-Bijan	2012
Value chain	APR	Nepal	Rural Enterprises and Remittances Project Samriddhi, RERP	2015
Value chain	APR	Nepal	Agriculture Sector Development Programme, ASDP	2017
Value chain	APR	Pakistan	Livestock and Access to Markets Project, LAMP	2013
Value chain	APR	Pakistan	Economic Transformation Initiative Gilgit-Baltistan, ETIGB	2015
Value chain	APR	Papua New Guinea	Productive Partnerships in Agriculture Project, PPAP	2010
Value chain	APR	Papua New Guinea	Markets for Village Farmers Project - Maket Bilong Vilis Fama, MVF	2017
Value chain	APR	Philippines	Second Cordillera Highland Agricultural Resource Management Project, CHARM II	2008
Value chain	APR	Philippines	Fisheries, Coastal Resources and Livelihood Project, FishCORAL	2015
Value chain	APR	Philippines	Convergence on Value Chain Enhancement for Rural Growth and Empowerment, CONVERGE	2015
Value chain	APR	Philippines	Rural Agroenterprise Partnerships for Inclusive Development and Growth Project, PH-RAPID	2018
Value chain	APR	Solomon Islands	Rural Development Programme II, RDP 2	2015
Value chain	APR	Sri Lanka	National Agribusiness Development Programme, NADeP	2009
Value chain	APR	Sri Lanka	Iranamadu Irrigation Development Project, IIDP	2011
Value chain	APR	Sri Lanka	Smallholder Tea and Rubber Revitalization Project, STaRR	2015
Value chain	APR	Sri Lanka	Smallholder Agribusiness Partnerships Programme, SAP	2017
Value chain	APR	Viet Nam	Pro-Poor Partnerships for Agroforestry Development Project, 3PAD	2008
Value chain	APR	Viet Nam	Project for the Sustainable Economic Empowerment of Ethnic Minorities in Dak Nong Province, 3EM	2010
Value chain	APR	Viet Nam	Tam Nong Support Project, TNSP	2010
Value chain	APR	Viet Nam	Sustainable Rural Development for the Poor Project in Ha Tinh and Quang Binh Provinces, SRDP	2013
Value chain	APR	Viet Nam	Project for Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces, AMD	2013
Value chain	APR	Viet Nam	Commodity-Oriented Poverty Reduction Programme in Ha Giang Province, CPRP	2014
Value chain	APR	Viet Nam	Commercial Smallholder Support Project in Bac Kan and Cao Bang, CSSP	2016

Type of intervention	Division	Country	Project	Approval year
Value chain	ESA	Angola	Artisanal Fisheries and Aquaculture Project, AFAP	2015
Value chain	ESA	Angola	Smallholder Agriculture Development and Commercialization Project in Cuanza Sul and Huila Provinces, SADCPC&H/SAMAP	2017
Value chain	ESA	Burundi	Livestock Sector Rehabilitation Support Project, PARSE	2007
Value chain	ESA	Burundi	Agricultural Intensification and Value enhancing Support Project, PAIVA-B	2009
Value chain	ESA	Burundi	Value Chain Development Programme, PRODEFI	2010
Value chain	ESA	Burundi	National programme for Food Security and Rural Development in Imbo and Moso, PNSADR-IM	2014
Value chain	ESA	Burundi	Value Chain Development Programme – Phase II, PRODEFI-II	2015
Value chain	ESA	Burundi	Project to support Financial Agricultural and Rural Inclusion in Burundi, PAIFAR-B	2018
Value chain	ESA	Eritrea	Fisheries Development Project, FDP	2010
Value chain	ESA	Eritrea	Fisheries Resources Management Programme, FReMP	2016
Value chain	ESA	Ethiopia	Participatory Small-scale Irrigation Development Programme II, PASIDP-II	2016
Value chain	ESA	Kenya	Smallholder Horticulture Marketing Programme, SHoMaP	2007
Value chain	ESA	Kenya	Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods Window, KCEP-CRAL	2015
Value chain	ESA	Kenya	Smallholder Dairy Commercialization Programme, SDCP	2015
Value chain	ESA	Kenya	Aquaculture business development Programme, ABDP	2017
Value chain	ESA	Lesotho	Wool and Mohair Promotion Project, WAMPP	2014
Value chain	ESA	Madagascar	Support Programme for Rural Microenterprise Poles and Regional Economies, PROSPERER	2007
Value chain	ESA	Madagascar	Support to Farmers' Professional Organizations and Agricultural Services Project, AROPA	2008
Value chain	ESA	Madagascar	Inclusive Agricultural Value Chains Development Programme IAVCDP	2017
Value chain	ESA	Malawi	Rural Livelihoods and Economic Enhancement Programme, RLEEP	2007
Value chain	ESA	Malawi	Programme for Rural Irrigation Development (PRIDE) and Enhancing the Resilience of Agro-ecological Systems Project, ERASP (Global Environment Facility - Integrated Approach Pilot)	2015
Value chain	ESA	Mauritius	Marine and Agricultural Resources Support Programme, MARS	2008
Value chain	ESA	Mozambique	Rural Markets Promotion Programme, PROMER	2008
Value chain	ESA	Mozambique	Artisanal Fisheries Promotion Project, ProPesca	2010
Value chain	ESA	Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors, PROSUL	2012
Value chain	ESA	Rwanda	Kirehe Community-Based Watershed Management Project, KWAMP	2008
Value chain	ESA	Rwanda	Project for Rural Income through Exports, PRICE	2011
Value chain	ESA	Rwanda	Climate Resilient Post-Harvest and Agribusiness Support Project (PASP) including blended Adaptation for Smallholder Agriculture Programme Grant 540a (ASAP)	2013
Value chain	ESA	Rwanda	Rwanda Dairy Development Project, RDDP	2016
Value chain	ESA	Seychelles	Competitive Local Innovations for Small-Scale Agriculture Project, CLISSA	2013
Value chain	ESA	Swaziland/Eswatini	Smallholder Market-led Project and Climate-Smart Agriculture for Resilient Livelihoods, SMLP-CSARL	2015
Value chain	ESA	Swaziland/Eswatini	Financial Inclusion and Cluster Development, FINCLUDE	2018
Value chain	ESA	Uganda	Vegetable Oil Development Project – Phase 2, VODP 2	2010
Value chain	ESA	Uganda	Project for the Restoration of Livelihoods in the Northern Region, PRELNOR	2014
Value chain	ESA	Uganda	National Oil Palm Project, NOPP	2018
Value chain	ESA	United Republic of Tanzania	Marketing Infrastructure, Value Addition and Rural Finance Support Programme, MIVARF	2010

Type of intervention	Division	Country	Project	Approval year
Value chain	ESA	United Republic of Tanzania	Bagamoyo Sugar Infrastructure and Sustainable Community Development Programme, BASIC	2015
Value chain	ESA	Zambia	Smallholder Agribusiness Promotion Programme, SAPP	2009
Value chain	ESA	Zambia	Enhanced Smallholder Agribusiness Promotion Programme, E-SAPP	2016
Value chain	ESA	Zimbabwe	Smallholder Irrigation Revitalization Programme, SIRP	2016
Value chain	LAC	Argentina	Inclusive Rural Development Programme (PRODERI), PRODERI	2011
Value chain	LAC	Argentina	Programme for Economic Insertion of Family Producers of Northern Argentina, PROCANOR	2015
Value chain	LAC	Argentina	Goat Value Chain Development Programme, PRODECCA	2016
Value chain	LAC	Belize	Resilient Rural Belize Programme	2018
Value chain	LAC	Bolivia (Plurinational State of)	Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau, Pro-Camélidos	2015
Value chain	LAC	Bolivia (Plurinational State of)	Inclusive Agreements on Andean Grains and Amazonian Fruits Transformation and Marketing to Increase Small-scale Producer Incomes, ASOCIOS	2017
Value chain	LAC	Brazil	Semi-arid Sustainable Development Project, Viva o Semi-Árido	2009
Value chain	LAC	Brazil	Cariri and Seridó Sustainable Development Project, PROCASE-Paraíba	2009
Value chain	LAC	Brazil	Rural Business for Small Producers Project, Projeto Dom Távora	2012
Value chain	LAC	Brazil	Productive and capacity development in the State of Ceara, Paulo Freire Project	2012
Value chain	LAC	Brazil	Policy Coordination and Dialogue for Reducing Poverty and Inequalities in Semi-Arid North-east Brazil, Dom Helder Câmara Project	2013
Value chain	LAC	Brazil	Sustainable Development Project in the Semiarid Region of Bahia, Pro-Semi-arid Project	2013
Value chain	LAC	Brazil	Maranhão Rural Poverty Alleviation Project, MARPA	2016
Value chain	LAC	Brazil	Sustainable Rural Development Project in the Territories of the Zona da Mata and Agreste of Pernambuco, PE-PRODUZ	2018
Value chain	LAC	Cuba	Livestock Cooperatives Development Project in the Central-Eastern Region, PRODEGAN	2016
Value chain	LAC	Dominican Republic	Development Project for Rural Poor Economic Organizations of the Border Region, PRORURAL OESTE	2009
Value chain	LAC	Dominican Republic	Rural Economic Development Project in the Central and Eastern Provinces, PRORURAL Centro y Este	2010
Value chain	LAC	Dominican Republic	Rural Families' Productive Inclusion and Resilience Project, PRORURAL Inclusivo	2017
Value chain	LAC	Ecuador	Project to Strengthen Rural Actors in the Popular and Solidary Economy, FAREPS	2015
Value chain	LAC	Ecuador	Catalysing Inclusive Value Chain Partnerships Project, DINAMINGA	2016
Value chain	LAC	El Salvador	Rural Development and Modernization Project for the Central and Paracentral Regions (PRODEMOR-Central) - Expansion	2007
Value chain	LAC	El Salvador	Rural Territorial Competitiveness Programme, Amanecer Rural	2010
Value chain	LAC	El Salvador	National Programme of Rural Economic Transformation for Living Well, Rural Adelante	2015
Value chain	LAC	El Salvador	National Programme of Rural Economic Transformation for Living Well, Rural Adelante II	2016
Value chain	LAC	Guatemala	Sustainable Rural Development Programme for the Northern Region, PRODENORTE	2008
Value chain	LAC	Guyana	Rural Enterprise and Agricultural Development Project, READ	2007
Value chain	LAC	Guyana	Hinterland Environmentally Sustainable Agricultural Development Project	2016
Value chain	LAC	Haiti	Small Irrigation and Market Access Development Project in the Nippes and Goavienne Region, PPI-3	2012
Value chain	LAC	Haiti	Agricultural and Agroforestry Technological Innovation Programme, PITAG	2018
Value chain	LAC	Honduras	Project for Enhancing the Rural Economic Competitiveness of Yoro, PROMECOM	2007

Type of intervention	Division	Country	Project	Approval year
Non-value chain	LAC	Honduras	Sustainable Rural Development Programme for the Southern Region, Emprende Sur	2010
Value chain	LAC	Honduras	Northern Horizons – Competitiveness and Sustainable Rural Development Project in the Northern Zone, transferred to PRO-LENCA	2011
Value chain	LAC	Honduras	Project for Competitiveness and Sustainable Development in the South-Western Border Region, PRO-LENCA	2013
Value chain	LAC	Honduras	Project for the Economic and Social Inclusion of Small Rural Producers in Northeast Honduras, PROINORTE	2018
Value chain	LAC	Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project, PROCAVAL	2007
Value chain	LAC	Nicaragua	Development Programme for the Agricultural, Fishing and Forestry Productive Systems in the Indigenous Territories of RAAN and RAAS, NICARIBE	2010
Value chain	LAC	Nicaragua	Adapting to Markets and Climate Change Project, NICADAPTA	2013
Value chain	LAC	Paraguay	Inclusion of Family Farming in Value Chains Project (Paraguay Inclusivo), PPI	2012
Value chain	LAC	Paraguay	Project for Improved Family and Indigenous Production in Departments of Eastern Paraguay, PROMAFI	2015
Value chain	LAC	Peru	Public Services Improvement for Sustainable Territorial Development in the Apurimac, Ene and Mantaro River Basins Project (Sustainable Territorial Development Project), PDTS	2016
Value chain	LAC	Uruguay	Rural Inclusion Pilot Project, PPIR	2014
Value chain	NEN	Armenia	Infrastructure and Rural Finance Support Programme, IRFSP	2014
Value chain	NEN	Azerbaijan	Livestock Productivity and Marketing Improvement Programme, LPMIP	2017
Value chain	NEN	Bosnia and Herzegovina	Rural Livelihoods Development Project, RLDP	2008
Value chain	NEN	Bosnia and Herzegovina	Rural Business Development Project, RBDP	2011
Value chain	NEN	Bosnia and Herzegovina	Rural Competitiveness Development Project, RCDP	2015
Value chain	NEN	Bosnia and Herzegovina	Rural Enterprises and Agricultural Development Project, READP	2018
Value chain	NEN	Djibouti	Programme to Reduce Vulnerability in Coastal Fishing Areas, PRAREV-PECHE	2013
Value chain	NEN	Egypt	Promotion of Rural Incomes through Market Enhancement Project, PRIME	2011
Value chain	NEN	Egypt	Integrated Management and Innovation in Rural Settlements in Egypt, SCCF/SAIL	2014
Value chain	NEN	Georgia	Agricultural Support Project, ASP	2009
Value chain	NEN	Georgia	Agriculture Modernization, Market Access and Resilience, AMMAR; Enhancing Resilience of Agriculture Sector In Georgia, ERASIG	2014
Value chain	NEN	Georgia	Dairy Modernisation and Market Access Project, DiMMA	2018
Value chain	NEN	Jordan	Rural Economic Growth and Employment Project, REGEP	2014
Value chain	NEN	Kyrgyzstan	Livestock and Market Development Programme, LMDP	2012
Value chain	NEN	Kyrgyzstan	Livestock and Market Development Programme II, LMDP II	2013
Value chain	NEN	Kyrgyzstan	Access to Markets Project, ATMP	2016
Value chain	NEN	Lebanon	Harmonized Actions to Enhance Livestock Production and Processing, HALEPP	2017
Value chain	NEN	Montenegro	Rural Clustering and Transformation Project, RCTP	2017
Value chain	NEN	Morocco	Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province, PDFAZMT	2010
Value chain	NEN	Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province, PDFAZMH	2011

Type of intervention	Division	Country	Project	Approval year
Value chain	NEN	Morocco	Rural Development Programme in the Mountain Zones I, PDRZM	2014
Value chain	NEN	Morocco	Atlas Mountains Rural Development Project, PDRMA	2016
Value chain	NEN	Palestine	Resilient Land and Resource Management Project, RELAP	2018
Value chain	NEN	Republic of Moldova	Rural Financial Services and Marketing Programme, RFSMP	2008
Value chain	NEN	Republic of Moldova	Rural Financial Services and Agribusiness Development Project, RFSADP	2010
Value chain	NEN	Republic of Moldova	Inclusive Rural Economic and Climate Resilience Programme, IRECR	2013
Value chain	NEN	Republic of Moldova	Rural Resilience Project, RRP	2016
Value chain	NEN	Sudan	Revitalizing the Sudan Gum Arabic Production and Marketing Project, Gum Arabic	2009
Value chain	NEN	Sudan	Seed Development Project, SDP	2011
Value chain	NEN	Sudan	Livestock Marketing and Resilience Programme, LMRP and Livestock and Rangeland Resilience Project	2014
Value chain	NEN	Sudan	Integrated Agriculture and Marketing Development Project, IAMDP	2017
Value chain	NEN	Syrian Arab Republic	Integrated Livestock Development Project, ILDP	2010
Value chain	NEN	Tajikistan	Livestock and Pasture Development Project, LPDP	2011
Value chain	NEN	Tajikistan	Livestock & Pasture Development Project II, LPDPPhase II	2015
Value chain	NEN	Tunisia	Agropastoral and Associated Value Chains Project in the Governorate of Médenine, PRODEFIL	2014
Value chain	NEN	Tunisia	Siliana Territorial Development Value Chain Promotion Project, PROFITS-Siliana	2016
Value chain	NEN	Turkey	Göksu-Taseli Watershed Development Project, GTWDP	2015
Value chain	NEN	Turkey	Uplands Rural Development Programme, URDP	2017
Value chain	NEN	Uzbekistan	Horticultural Support Project, HSP	2012
Value chain	NEN	Uzbekistan	Dairy Value Chains Development Programme, DVCDP	2015
Value chain	NEN	Uzbekistan	Agriculture Diversification and Modernization Project, ADMP	2017
Value chain	NEN	Yemen	Economic Opportunities Programme, EOP	2010
Value chain	NEN	Yemen	Fisheries Investment Project, FIP	2010
Value chain	NEN	Yemen	YemenInvest – Rural Employment Programme, YIREP	2011
Value chain	WCA	Benin	Rural Economic Growth Support Project, PACER	2009
Value chain	WCA	Benin	Market Gardening Development Support Project, PADMAR	2015
Value chain	WCA	Benin	Agricultural Development and Market Access Support Project, PADAAM	2018
Value chain	WCA	Burkina Faso	Rural Business Development Services Programme, PASPRU	2009
Value chain	WCA	Burkina Faso	Agricultural Value Chains Promotion Project, PAPFA	2017
Value chain	WCA	Cameroon	Commodity Value-Chain Development Support Project, PADFA	2010
Value chain	WCA	Central African Republic	Project to Revitalize Crop and Livestock Production in the Savannah, PREPAS	2018
Value chain	WCA	Chad	Strengthening Productivity and Resilience of Agropastoral Family Farms Project, RePER	2018
Value chain	WCA	Congo	Agricultural Value Chains Development Programme, PADEF	2011
Value chain	WCA	Congo	Inland Fisheries and Aquaculture Project, PD-PAC	2015
Value chain	WCA	Côte d'Ivoire	Support to Agricultural Development and Marketing Project, PROPACOM	2011
Value chain	WCA	Côte d'Ivoire	Support to Agricultural Development and Marketing Project – Western expansion, PROPACOM/WNW	2014
Value chain	WCA	Côte d'Ivoire	Agricultural Value Chains Development Programme, PADFA	2017

Type of intervention	Division	Country	Project	Approval year
Value chain	WCA	Democratic Republic of the Congo	North Kivu Agriculture Sector Support Project, PASA-NK	2015
Value chain	WCA	Gabon	Agricultural and Rural Development Project, PDAR	2007
Value chain	WCA	Gabon	Agricultural and Rural Development Project – Phase II, PDAR2	2018
Value chain	WCA	Gambia	Livestock and Horticulture Development Project, LHDP	2009
Value chain	WCA	Gambia	National Agricultural Land and Water Management Development Project, NEMA	2012
Value chain	WCA	Ghana	Northern Rural Growth Programme, NRGp	2007
Value chain	WCA	Ghana	Ghana Agricultural Sector Investment Programme, GASIP	2014
Value chain	WCA	Guinea	National Programme to Support Agricultural Value Chain Actors – Lower Guinea and Faranah expansion, PNAFA - LGF expansion	2013
Value chain	WCA	Guinea	Family Farming, Resilience and Markets Project in Upper and Middle Guinea, AgriFARM-HMG	2018
Value chain	WCA	Guinea-Bissau	Economic Development Project for the Southern Regions, PADES	2015
Value chain	WCA	Liberia	Smallholder Tree Crop Revitalization Support Project, STCRSP	2011
Value chain	WCA	Liberia	Tree Crop Extension Project, TCEP	2015
Value chain	WCA	Liberia	Tree Crops Extension Project II, TCEP II	2018
Value chain	WCA	Mali	Rural Youth Vocational Training, Employment and Entrepreneurship Support Project, FIER	2013
Value chain	WCA	Mauritania	Value Chains Development Programme for Poverty Reduction, ProLPRAF	2009
Value chain	WCA	Mauritania	Inclusive Value Chain Development Project, PRODEFI	2016
Value chain	WCA	Niger	Food Security and Development Support Project in the Maradi Region (PASADEM), PASADEM	2011
Value chain	WCA	Niger	Family Farming Development Programme (ProDAF) in Maradi, Tahoua and Zinder Regions	2015
Value chain	WCA	Niger	Family Farming Development Programme in the Diffa Region, ProDAF Diffa	2018
Value chain	WCA	Nigeria	Value Chain Development Programme, VCDP	2012
Value chain	WCA	Nigeria	Climate Change Adaptation and Agribusiness Support Programme (CASP) in the Savannah Belt of Nigeria	2013
Value chain	WCA	Nigeria	Livelihood Improvement Family Enterprises Project in the Niger Delta of Nigeria, LIFE-ND	2017
Value chain	WCA	Sao Tome and Principe	Smallholder Commercial Agriculture Project, PAPAC	2014
Value chain	WCA	Senegal	Agricultural Value Chains Support Project, PAFA	2008
Value chain	WCA	Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme, PADAER	2011
Value chain	WCA	Senegal	Agricultural Value Chains Support Project Extension, PAFA/E	2013
Value chain	WCA	Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme - Phase II, PADAER II	2018
Value chain	WCA	Sierra Leone	Smallholder Commercialization Programme, SCP	2011
Value chain	WCA	Sierra Leone	Agriculture Value Development Project, AVDP	2018
Value chain	WCA	Togo	Support to Agricultural Development Project, PADAT	2010
Value chain	WCA	Togo	National Rural Entrepreneurship Project, PNER	2014
Ancillary	APR	Cambodia	Project for Agricultural Development and Economic Empowerment, PADEE	2012
Ancillary	APR	Viet Nam	Programme for Development of Market Opportunities for the poor, Cao Bang and Ben Tre Provinces, DBRP	2007
Ancillary	ESA	Burundi	Project to support Financial Agricultural and Rural Inclusion, PAIFAR	2017
Ancillary	ESA	Comoros	Family Farming Productivity and Resilience Support Project, PREFER	2017
Ancillary	ESA	Kenya	Programme for Rural Outreach of Financial Innovations and Technologies, PROFIT	2010
Ancillary	ESA	Malawi	Financial Access for Rural Markets, Smallholders and Enterprise Programme, FARMSE	2017

Type of intervention	Division	Country	Project	Approval year
Ancillary	ESA	Uganda	Agricultural Technology and Agribusiness Advisory Services Project, ATAAS	2010
Ancillary	ESA	Zambia	Rural Finance Expansion Programme, RUFEP	2013
Ancillary	ESA	Zambia	Smallholder Productivity Promotion Programme, S3P	2011
Ancillary	LAC	Grenada	Climate-smart Agriculture and Rural Enterprise Programme, SAEP	2017
Ancillary	NEN	Albania	Mountains to market programme, MMP	2008
Ancillary	NEN	Armenia	Farmer Market Access Programme, FMAP	2007
Ancillary	WCA	Benin	Adapted Rural Financing Services Development Project, PAPSFRA	2012
Ancillary	WCA	Cameroon	Youth Agropastoral Entrepreneurship Promotion Programme, EA-Jeunes/AEP-Youth	2014
Ancillary	WCA	Ghana	Rural and Agricultural Finance Programme, RAFIP	2008
Ancillary	WCA	Ghana	Rural Enterprises Programme Phase III, REP-III	2011
Ancillary	WCA	Mali	Inclusive Finance in Agricultural Value Chain Project, INCLUSIF	2018
Ancillary	WCA	Mali	Fostering Agricultural Productivity Project, PAPAM	2010
Non-value chain	APR	Afghanistan	Rural Microfinance and Livestock Support Programme, RMLSP	2009
Non-value chain	APR	Bangladesh	Participatory Small-scale Water Resources Sector Project, PSSWRSP	2009
Non-value chain	APR	Bangladesh	Char Development and Settlement Project IV, CDSP IV	2010
Non-value chain	APR	Bangladesh	Haor Infrastructure and Livelihood Improvement Project - Climate Adaptation and Livelihood Protection, HILIP-CALIP	2011
Non-value chain	APR	Bangladesh	Coastal Climate Resilient Infrastructure Project, CCRIP	2013
Non-value chain	APR	Bangladesh	Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information, PROVAT ³	2017
Non-value chain	APR	Cambodia	Rural Livelihoods Improvement in Kratie, Preah Vihear and Ratanakiri, RULIP	2007
Non-value chain	APR	Cambodia	Agriculture Services Programme for Innovation, Resilience and Extension, ASPIRE	2014
Non-value chain	APR	China	Inner Mongolia Autonomous Region Rural Advancement Programme, IMARRAP	2007
Non-value chain	APR	China	Sichuan Post-Earthquake Agricultural Rehabilitation Project, SPEAR	2009
Non-value chain	APR	India	Jharkhand Tribal Empowerment and Livelihood Project, JTELP	2012
Non-value chain	APR	India	Odisha Particularly Vulnerable Tribal Groups Empowerment and Livelihoods Improvement Programme, OPELIP	2015
Non-value chain	APR	India	Andhra Pradesh Drought Mitigation Project, APDMP	2016
Non-value chain	APR	Indonesia	Village Development Programme (ex National Programme for Community Empowerment in Rural Areas Project), VDP (ex PNPM)	2008
Non-value chain	APR	Kiribati	Outer Islands Food and Water Project, OIFWP	2014
Non-value chain	APR	Lao People's Democratic Republic	Sustainable Natural Resources Management and Productivity Enhancement Project, SNRMP	2008
Non-value chain	APR	Lao People's Democratic Republic	Strategic Support for Food Security and Nutrition Project – Global Agriculture and Food Security Program, SSFSNP - GAFSP	2016
Non-value chain	APR	Lao People's Democratic Republic	Northern Smallholder Livestock Commercialization Project: Rural Financial Services Programme, NSLCP-RFSP	2016
Non-value chain	APR	Nepal	Poverty Alleviation Fund Project – Phase II, PAF II	2007
Non-value chain	APR	Nepal	Adaptation for Smallholders in Hilly Areas Project, ASHA	2014
Non-value chain	APR	Pakistan	Programme for Increasing Sustainable Microfinance, PRISM	2007
Non-value chain	APR	Pakistan	Southern Punjab Poverty Alleviation Project, SPPAP	2010
Non-value chain	APR	Pakistan	Gwadar-Lasbela Livelihoods Support Project, GLLSP	2011
Non-value chain	APR	Pakistan	National Poverty Graduation Programme, NPGP	2017

Type of intervention	Division	Country	Project	Approval year
Non-value chain	APR	Philippines	Rapid Food Production Enhancement Programme, RaFPEP	2008
Non-value chain	APR	Philippines	Integrated Natural Resources and Environmental Management Project, INREMP	2012
Non-value chain	APR	Solomon Islands	Rural Development Programme, RDP	2010
Non-value chain	APR	Timor-Leste	Timor-Leste Maize Storage Project, TLMSP	2011
Non-value chain	APR	Tonga	Rural Innovation Project, TRIP	2012
Non-value chain	APR	Tonga	Rural Innovation Project – Phase II, TRIP II	2017
Non-value chain	ESA	Angola	Market-oriented Smallholder Agriculture Project, MOSAP	2007
Non-value chain	ESA	Angola	Agricultural Recovery Project, ARP	2017
Non-value chain	ESA	Botswana	Agricultural Services Support Programme, ASSP	2010
Non-value chain	ESA	Comoros	National Programme for Sustainable Human Development, PNDHD/NPSHD	2007
Non-value chain	ESA	Eritrea	National Agriculture Project, NAP	2012
Non-value chain	ESA	Ethiopia	Participatory Small-scale Irrigation Development Programme, PASIDP	2007
Non-value chain	ESA	Ethiopia	Community-based Integrated Natural Resource Management in Lake Tana Watershed, CBINReMP	2009
Non-value chain	ESA	Ethiopia	Pastoral Community Development Project – Phase II, PCDP II	2009
Non-value chain	ESA	Ethiopia	Rural Financial Intermediation Programme – Phase II, RUFIP II	2011
Non-value chain	ESA	Ethiopia	Pastoral Community Development Project – Phase III, PCDP III	2013
Non-value chain	ESA	Kenya	Upper Tana Catchment Natural Resources Management Project, UTaNRMP	2012
Non-value chain	ESA	Lesotho	Rural Finance Intermediation Programme, RUFIP	2007
Non-value chain	ESA	Lesotho	Lesotho Adaptation of Small-scale Agricultural Production Project, LASAP	2011
Non-value chain	ESA	Madagascar	Vocational Training and Agricultural Productivity Improvement Programme, FORMAPROD	2012
Non-value chain	ESA	Madagascar	Project to Support Development in the Menabe and Melaky Regions – Phase II, AD2M Phase II	2015
Non-value chain	ESA	Malawi	Sustainable Agricultural Production Programme, SAPP	2011
Non-value chain	ESA	Mozambique	Rural Enterprise Finance Project, REFP	2018
Non-value chain	ESA	South Sudan	Southern Sudan Livelihoods Development Project, SSLDP	2008
Non-value chain	ESA	Swaziland/Eswatini	Rural Finance and Enterprise Development Programme, RFEDP	2008
Non-value chain	ESA	Uganda	Community Agricultural Infrastructure Improvement Programme, CAIIP-1	2007
Non-value chain	ESA	Uganda	Project for Financial Inclusion in Rural Areas, PROFIRA	2013
Non-value chain	ESA	United Republic of Tanzania	Agricultural Sector Development Programme, ASDP	2008
Non-value chain	ESA	Zambia	Enhanced Smallholder Livestock Investment Programme, E-SLIP	2014
Non-value chain	LAC	Belize	Rural Finance Programme, RFP	2008
Non-value chain	LAC	Bolivia (Plurinational State of)	Plan VIDA-PEEP to eradicate extreme poverty – Phase I: Pilot Project to Strengthen the Capacity of Communities and Families Living in Extreme Poverty in Cochabamba and Potosí, Vida-PEEP	2009
Non-value chain	LAC	Bolivia (Plurinational State of)	Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia with funding from the Adaptation for Smallholder Agriculture Programme, ACCESOS-ASAP	2011
Non-value chain	LAC	Colombia	Building Rural Entrepreneurial Capacities – Trust and Opportunities Programme, TOP	2012
Non-value chain	LAC	Cuba	Cooperative Rural Development Project in the Oriental Region, PRODECOR	2013
Non-value chain	LAC	Ecuador	Ibarra-San Lorenzo Development Project	2009
Non-value chain	LAC	Ecuador	Buen Vivir in Rural Territories Programme BUEN VIVIR	2011

Type of intervention	Division	Country	Project	Approval year
Non-value chain	LAC	Grenada	Market Access and Rural Enterprise Development Programme, MAREDP	2010
Non-value chain	LAC	Mexico	Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca, DECOFOS)	2009
Non-value chain	LAC	Mexico	Sustainable Development Project for Communities in Semiarid Areas, PRODEZSA	2012
Non-value chain	LAC	Mexico	Rural Productive Inclusion Project	2015
Non-value chain	LAC	Mexico	Social Economy Project: Territory and Inclusion, PROECOSOCIAL	2017
Non-value chain	LAC	Nicaragua	Nicaraguan Dry Corridor Rural Family Sustainable Development Project, NICAVIDA	2016
Non-value chain	LAC	Panama	Participative Development and Rural Modernization Project, PARTICIPA	2008
Non-value chain	LAC	Peru	Sustainable Management of the Protected Areas and Forests of the Northern Highlands of Peru, Sierra Norte	2007
Non-value chain	LAC	Peru	Strengthening Local Development in the Highlands and High Rainforest Areas Project, PSSA	2012
Non-value chain	LAC	Venezuela (Bolivarian Republic of)	Support project for the Warao ethnic group in the state of the Delta Amacuro, Waraosupport	2008
Non-value chain	LAC	Venezuela (Bolivarian Republic of)	Integrated and Sustainable Development Project for the Arid Zones in the States of Nueva Esparta and Sucre, PROSANESU	2012
Non-value chain	LAC	Venezuela (Bolivarian Republic of)	Sustainable Rural Development Project for Food Security in the Semi-arid Zones of Lara and Falcon States, PROSALAFI III	2015
Non-value chain	NEN	Armenia	Rural Asset Creation Programme, RACP	2010
Non-value chain	NEN	Azerbaijan	Rural Development Project for the North-west, RDPNW	2007
Non-value chain	NEN	Azerbaijan	Integrated Rural Development Project, IRDP	2011
Non-value chain	NEN	Djibouti	Programme for the Mobilization of Surface Water and Sustainable Land Management PROMES-GDT	2007
Non-value chain	NEN	Djibouti	Soil and Water Management Programme, PROGRES	2016
Non-value chain	NEN	Egypt	On-farm Irrigation Development Project in the Oldlands, OFIDO	2009
Non-value chain	NEN	Egypt	Promoting Resilience in Desert Environments, PRIDE	2017
Non-value chain	NEN	Iraq	Smallholder Agriculture Revitalization Project, SARP	2017
Non-value chain	NEN	Jordan	Small Ruminants Investment and Graduating Households in Transition, SIGHT	2017
Non-value chain	NEN	Kyrgyzstan	Agricultural Investments and Services Project, AISP	2008
Non-value chain	NEN	Lebanon	Hilly Areas Sustainable Agricultural Development Project, HASAD	2009
Non-value chain	NEN	Morocco	Rural Development Project in the Mountain Zones of Errachidia Province, PDRME	2007
Non-value chain	NEN	Sudan	Rural Access Project, RAP	2009
Non-value chain	NEN	Sudan	Support to Small-Scale Traditional Rainfed Producers in Sinnar State Project, SUSTAIN-Sinnar	2010
Non-value chain	NEN	Syrian Arab Republic	North eastern Region Rural Development Project, NERRDP	2007
Non-value chain	NEN	Tajikistan	Khatlon Livelihoods Support Project, KLSP	2008
Non-value chain	NEN	Tajikistan	Community-based Agricultural Support Project, CASP	2017
Non-value chain	NEN	Tunisia	Agropastoral Development and Local Initiatives Promotion Programme for the South-East – Phase II, PRODESUD II	2012
Non-value chain	NEN	Turkey	Ardahan-Kars-Artvin Development Project, AKADP	2009
Non-value chain	NEN	Turkey	Murat River Watershed Rehabilitation Project, MRWRP	2012
Non-value chain	NEN	Yemen	Rainfed Agriculture and Livestock Project, RALP	2007
Non-value chain	NEN	Yemen	Rural Growth Programme, RGP	2013
Non-value chain	WCA	Burkina Faso	Small-Scale Irrigation and Water Management Project, PIGEPE	2007
Non-value chain	WCA	Burkina Faso	Participatory Natural Resource Management and Rural Development Project in the North, Centre-North and East Regions, Neer-tamba Project	2012

Type of intervention	Division	Country	Project	Approval year
Non-value chain	WCA	Cabo Verde	Rural Socio-economic Opportunities Programme, POSER	2012
Non-value chain	WCA	Cameroon	Rural Microfinance Development Support Project, PADMIR	2008
Non-value chain	WCA	Central African Republic	Project for Reviving Food Crops and Small Livestock Production in the Savannah, PREVES	2011
Non-value chain	WCA	Chad	Pastoral Water and Resource Management Project in Sahelian Areas, PROHYPA	2009
Non-value chain	WCA	Chad	Rural Development Support Programme in Guéra, PADER-G	2010
Non-value chain	WCA	Chad	Project to Improve the Resilience of Agricultural Systems in Chad, PARSAT	2014
Non-value chain	WCA	Congo	Rural Development Project in the Likouala, Pool and Sangha Departments, PRODER - 3	2008
Non-value chain	WCA	Côte d'Ivoire	Agricultural Rehabilitation and Poverty Reduction Project, PRAREP	2009
Non-value chain	WCA	Democratic Republic of the Congo	Integrated Agricultural Rehabilitation Programme in Maniema Province, PIRAM	2008
Non-value chain	WCA	Democratic Republic of the Congo	Kinshasa Food Supply Centre Support Programme, PPAKIN	2012
Non-value chain	WCA	Guinea	Village Communities Support Program, PACV II	2007
Non-value chain	WCA	Guinea-Bissau	Rural Rehabilitation and Community Development Project, PRRDC	2007
Non-value chain	WCA	Liberia	Agriculture Sector Rehabilitation Project, ASRP	2009
Non-value chain	WCA	Liberia	Rural Community Finance Project, RCFP	2015
Non-value chain	WCA	Mali	Rural Microfinance Programme, PM	2009
Non-value chain	WCA	Mauritania	Poverty Reduction Project in Aftout South and Karakoro – Phase II, PASK II	2011
Non-value chain	WCA	Niger	Agricultural and Rural Rehabilitation and Development Initiative Project – Institutional Strengthening Component, ARDDI-ISC	2008
Non-value chain	WCA	Niger	Emergency Food Security and Rural Development Programme, EFSRDP	2010
Non-value chain	WCA	Niger	Small-Scale Irrigation Project Ruwanmu, RUWANMU	2012
Non-value chain	WCA	Sierra Leone	Rural Finance and Community Improvement Programme, RFCIP	2007
Non-value chain	WCA	Sierra Leone	Rural Finance and Community Improvement Programme – Phase II, RFCIP2	2013

Source: CLE elaboration (2019).

TABLE 2

Country, titles and acronyms of the projects reviewed in-depth by the CLE

Country	Project title
Bangladesh	National Agricultural Technology Project, NATP
Bangladesh	Finance for Enterprise Development and Employment Creation Project, FEDEC
Bangladesh	Promoting Agricultural Commercialization and Enterprises Project, PACE
Bangladesh	National Agricultural Technology Programme – Phase II Project, NATP II
Bosnia and Herzegovina	Rural Livelihoods Development Project, RLDP
Bosnia and Herzegovina	Rural Competitiveness Development Programme, RCDP
Bosnia and Herzegovina	Rural Business Development Project, RBDP
Brazil	Cariri and Seridó Sustainable Development Project, PROCASE
Brazil	Semi-arid Sustainable Development Project in the State of Piauí, Viva o Semi-Árido
Brazil	Rural Business for Small Producers Project, Dom Távora
Brazil	Productive and capacity development in the State of Ceara, Paulo Freire Project
Brazil	Policy Coordination and Dialogue for Reducing Poverty and Inequalities in Semi-Arid North-east Brazil, Dom Helder Câmara Project
Brazil	Sustainable Development Project in the Semi-arid Region of Bahia, Pro-Semi-arid Project
Burkina Faso	Rural Business Development Services Programme Programme d'appui et de promotion du secteur privé en milieu rural, PASPRU
Cambodia	Tonle Sap Poverty Reduction and Smallholder Development Project, TSPRSDP
Cambodia	Project for Agricultural Development and Economic Empowerment, PADEE
Cameroon	Commodity Value-Chain Development Support Project, PADFA
China	Dabieshan Area Poverty Reduction Programme, DAPRP
China	Guangxi Integrated Agricultural Development Project, GIADP
China	Hunan Agricultural and Rural Infrastructure Improvement Project, HARIIP
China	Yunnan Agricultural and Rural Improvement Project, YARIP
China	Shiyan Smallholder Agribusiness Development Project, SSADeP
China	Jiangxi Mountainous Area Agribusiness Promotion Project, JiMAAPP
China	Qinghai Liupan Mountain Area Poverty Reduction Project, MAPRP
El Salvador	Rural Development and Modernization Project for the Central and Paracentral Regions, PRODEMOR CENTRAL
El Salvador	Rural Territorial Competitiveness Programme, Amanecer Rural
Georgia	Agricultural Support Project, ASP
Georgia	Agriculture Modernization, Market Access and Resilience, AMMAR; Enhancing Resilience of Agriculture Sector in Georgia, ERASIG
Ghana	Northern Rural Growth Programme, NRGP
Ghana	Rural and Agricultural Finance Programme, RAFIP
Ghana	Rural Enterprises Programme, REP-III
Ghana	Ghana Agricultural Sector Investment Programme, GASIP
Guyana	Rural Enterprise and Agricultural Development Project, READ
Honduras	Project for Enhancing the Rural Economic Competitiveness of Yoro, PROMECOM
Honduras	Project for Competitiveness and Sustainable Development in the South-Western Border Region, PRO-LENCA
Honduras	Sustainable Rural Development Programme for the Southern Region, Emprende Sur
Indonesia	Smallholder Livelihood Development Project in Eastern Indonesia, SOLID
Indonesia	Coastal Community Development Project, CCDP
Kenya	Smallholder Horticulture Marketing Programme, SHoMaP

Country	Project title
Kenya	Programme for Rural Outreach of Financial Innovations and Technologies, PROFIT
Kenya	Kenya Cereal Enhancement Programme - Climate- Resilient Agricultural Livelihoods Window, KCEP-CRAL
Kenya	Smallholder Dairy Commercialization Programme, SDCP
Mauritania	Value Chains Development Programme for Poverty Reduction, ProLPRAF
Mauritania	Inclusive Value Chain Development Project, PRODEFI
Morocco	Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province, PDFAZMT
Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province, PDFAZMH
Morocco	Rural Development Programme in the Mountain Zones I, PDRZM
Mozambique	Rural Markets Promotion Programme, PROMER
Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors, PROSUL
Mozambique	Artisanal Fisheries Promotion Project, ProPesca
Nepal	High-Value Agriculture Project in Hill and Mountain Areas, HVAP
Nepal	Improved Seeds for Farmers Programme, Kisan Kalagi Biu-Bijan Karyakram, ISFP
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project, PROCAVAL
Nicaragua	Adapting to Markets and Climate Change Project, NICADAPTA
Nicaragua	Development Programme for the Agricultural, Fishing and Forestry Productive Systems in the Indigenous Territories of RAAN and RAAS, NICARIBE
Niger	Food Security and Development Support Project in the Maradi Region, PASADEM
Niger	Family Farming Development Programme (ProDAF) in Maradi, Tahoua and Zinder Regions
Republic of Moldova	Rural Financial Services and Agribusiness Development Project, RFSADP
Rwanda	Climate-Resilient Post-Harvest and Agribusiness Support Project (PASP) including blended Adaptation for Smallholder Agriculture Programme Grant 540a (ASAP)
Rwanda	Project for Rural Income through Exports, PRICE
Rwanda	Rwanda Dairy Development Project, RDDP
Sao Tome and Principe	Smallholder Commercial Agriculture Project, PAPAC
Senegal	Agricultural Value Chains Support Project, PAFA
Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme, PADAER
Senegal	Agricultural Value Chains Support Project-Extension, PAFA/E
Sri Lanka	National Agribusiness Development Programme, NADeP
Sri Lanka	Iranamadu Irrigation Development Project, IIDP
Sudan	Revitalizing the Sudan Gum Arabic Production and Marketing Project, Gum Arabic
Sudan	Seed Development Project, SDP
Tunisia	Agropastoral and Associated Value Chains Project in the Governorate of Médenine, PRODEFIL
Uganda	Agricultural Technology and Agribusiness Advisory Services Project, ATAAS
Uganda	Project for the Restoration of Livelihoods in the Northern Region, PRELNOR
Uganda	Vegetable Oil Development Project – Phase 2, VODP 2
Viet Nam	Project for Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces, AMD
Viet Nam	Pro-Poor Partnerships for Agroforestry Development, 3PAD
Viet Nam	Tam Nong Support Project, TNSP
Viet Nam	Commodity-Oriented Poverty Reduction Programme in Ha Giang Province, CPRP

Source: CLE elaboration (2019).

Annex II

Supporting tables and materials

PMD project status ratings

TABLE 1

Project status ratings (2018)

	Value chain (average rating)	Non-value chain (average rating)	Significance of difference (at 5%)
Development effectiveness and development focus			
Effectiveness	3.9	4.0	Not significant
Targeting and outreach	4.4	4.4	Not significant
Gender equality and women's participation	4.2	4.5	Significant (one-tail tested)
Agricultural productivity	4.0	3.9	Not significant
Nutrition	3.9	4.1	Not significant
Adaptation to climate change	4.0	4.2	Nearly significant (one-tail tested)
Sustainability and scaling up			
Institutions and policy engagement	4.0	4.1	Not significant
Partnership-building	4.1	4.4	Nearly significant (one-tail tested)
Human and social capital and empowerment	4.1	4.3	Not significant
Quality of beneficiary participation	4.3	4.4	Not significant
Responsiveness of service providers	4.2	4.1	Not significant
Environment and natural resource management	4.1	4.0	Not significant
Exit strategy	3.8	3.9	Not significant
Potential for scaling up	4.3	4.4	Not significant
Project management			
Quality of project management	4.1	4.2	Not significant
Knowledge management	3.9	4.1	Not significant
Value for money	3.9	4.2	Significant (one-tail tested)
Coherence between annual work plan and budget and implementation	3.6	3.7	Not significant
Performance of monitoring and evaluation system	3.8	3.8	Not significant
Requirements of Social, Environmental and Climate Assessment Procedures	4.0	4.2	Not significant

	Value chain (average rating)	Non-value chain (average rating)	Significance of difference (at 5%)
Financial management and execution			
Acceptable disbursement rate	3.5	3.4	Not significant
Quality of financial management	4.0	4.0	Not significant
Counterparts funds	4.0	4.3	Not significant
Compliance with loan covenants	4.4	4.3	Not significant
Procurement	4.0	3.8	Significant (one-tail tested)
Key supervision and implementation indicators			
Assessment of the overall implementation performance	4.1	4.2	Not significant
Likelihood of achieving the development objective	4.1	4.2	Not significant

* Significant (at 5% significance)/one-tailed test.

** Nearly significant (at 5% significance)/one-tailed test.

Source: Operational Results Management System-IFAD.

TABLE 2

Comparison of IOE ratings of value chain and non-value chain projects (number of observations in brackets)

Criteria	Value chain	Non-value chain	Significance
Relevance	4.11 (27)	4.28 (35)	One-tail at 10%
Effectiveness	4.14 (27)	3.85 (35)	One-tail at 5% and at two-tail at 10%
Efficiency	3.9 (27)	3.6 (35)	One-tail at 10%
Sustainability of benefits	3.7 (27)	3.57 (35)	Not significant
Rural poverty impact	4.03 (26)	3.97 (35)	Not significant
Innovation	4.26 (27)	4.14 (35)	Not significant
Scaling up	4.07 (27)	3.94 (35)	Not significant
Gender equality and women's empowerment	3.88 (27)	4.02 (34)	Not significant
Environment and natural resources management	3.84 (26)	3.93 (29)	Not significant
Adaptation to climate change	3.77 (22)	3.61 (26)	Not significant
IFAD performance	4.11 (27)	4.2 (35)	Not significant
Government	4.03 (27)	4.2 (35)	Not significant
Project performance	3.99 (26)	3.85 (35)	Not significant
Overall project achievement	4.07 (27)	3.91 (34)	Not significant

Ratings: 1 = highly unsatisfactory; 2 = unsatisfactory; 3= moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

Source: Extracted from the IOE ARRI Database (December 2018).

TABLE 3

Categorization of the level of value chain development

Level of value chain development	Value chain characteristics and type of project support
Advanced	<ul style="list-style-type: none"> • Strengthening vertical linkages • Higher level of product, process and functional upgrading (e.g. certification, branded products, exporting direct) • Specialized technical assistance on production and processing • Financial resources for investment and working capital • Value chain finance system in place • Risk management and market information systems • Commercialization under contract or purchase agreements • Multi-stakeholder platforms or structured dialogue among stakeholders
Intermediate	<ul style="list-style-type: none"> • Organizational strengthening • Establishing vertical linkages • Process and functional upgrading • Development of business plans and capacity-building for financial literacy and business management • Capacity-building for harvest / post-harvest practices and infrastructure management • Purchase of inputs through an organized mechanism • Financing for value chain infrastructure and technology (e.g. warehouses, cold stores, processing machinery) • Organized marketing of produce
Incipient	<ul style="list-style-type: none"> • Mobilization of small-scale producers (horizontal linkages) for collective selling • Product upgrading • Capacity-building to improve cropping/breeding practices, productivity and quality of produce • Improved input supply • Production credit • Feeder roads and basic infrastructure for market access (e.g. bridges, collection centres) • Sales through spot transactions still predominates

Source: IFAD data elaborated by IOE.

TABLE 4

IFAD core indicators, since 2017

Areas of thematic focus – SDG target	No. Title - Outcome indicators		Legend*	No. Title - Outcome indicators		Legend*	
Rural producer organizations	2.1.3	Number of rural producer organizations supported (modified current RIMS 1.4.4 and 1.4.6)	SIP, S, Y, Lead, IND	2.2.3	(Number) Percentage of rural producer organizations engaged in formal partnerships/agreements or contracts with public or private entities	Lead, IND, SEC, S, Y	
	2.1.4	Number of supported rural producers that are members of a rural producer organization (modified current RIMS 1.4.5)	SIP, S, Y, Lead, IND	2.2.4	(Number) Percentage of supported rural producer organization members reporting new or improved services provided by their organization	Lead, IND	
				2.2.5	(Number) Percentage of rural producer organizations reporting an increase in sales		
Rural infrastructure	2.3	2.1.5	Number of kilometres of roads constructed, rehabilitated or upgraded (current RIMS 1.4.2)	2.2.6	(Number) Percentage of persons/households reporting improved physical access to markets, processing and storage facilities	S, Y, Lead, IND, SEC	
		2.1.6	Number of market, processing or storage facilities constructed or rehabilitated (modified current RIMS 1.4.3, 1.4.7, 1.4.8)				
SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities							
Environmental sustainability and climate change	2.4, 5.4,	3.1.1	Number of groups supported to sustainably manage natural resources and climate-related risks (modified current RIMS 1.6.11)	C, SIP, LEAD, IND	3.2.1	Number of tons of greenhouse gas emissions (CO2) avoided and/or sequestered	C
	7.2, 13,	3.1.2	Number of persons provided with climate information services (modified current RIMS 1.1.15)	C, S, Y, IND	3.2.2	(Number) Percentage of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices	S, Y, Lead, IND
	13.1-13.3 and	3.1.3	Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions (modified current RIMS 1.1.18)	C, S, Y, IND	3.2.3	(Number) Percentage of persons/households reporting a significant reduction in the time spent for collecting water or fuel	S, Y, Lead, IND
	15.1-15.3	3.1.4	Number of hectares of land brought under climate-resilient management (modified current RIMS 1.1.17)	C			
Policy (cross-cutting)		Policy 1	Number of policy-relevant knowledge products completed		Policy 3	Number of existing/new laws, regulations, policies or strategies proposed to policymakers for approval, ratification or amendment	
		Policy 2	Number of functioning multi-stakeholder platforms supported				

* Legend:

SIP - Refers to specific indigenous peoples indicators for indigenous peoples-relevant projects.

IND - Means that the number of beneficiary indigenous peoples needs to be tracked and reported separately.

SEC - Means that the reported data should be disaggregated by sector (crop/livestock/forestry/fisheries).

P - Means that the reported data should be disaggregated by type of rural finance product.

C - Mandatory indicators for projects that make specific investments to address climate change issues (this includes all projects with Adaptation for Smallholder Agriculture Programme [ASAP] cofinancing).

S - The reported data should be disaggregated by the sex of beneficiary (male or female).

Y - The reported data should be disaggregated by the age status of the beneficiary ("young" or "not young" as per the national definition for youth).

Lead - The reported data should be disaggregated by the sex of the head of household, small and medium-sized enterprise owner or group leader (as relevant).

Source: IFAD (2017), *Taking IFAD's Results and Impact Management System (RIMS) to the Next Level*.

Annex III

Evaluation matrix, country/project selection, and country visits checklist

Evaluation matrix

Evaluation criteria	Evaluation questions	Indicators	Data sources
Relevance	<p>Overarching questions:</p> <p>Is the IFAD approach to pro-poor value chain development an effective way to sustainably reduce rural poverty? To what extent, under what conditions, and for whom?</p> <p>To what extent are IFAD's organizational set-up and instruments conducive to design and support effective pro-poor value chains?</p>		
	<p>Corollary questions:</p> <p>To what extent has the traditional target group of the Fund, i.e. the rural poor and their households, benefited or continue to benefit from IFAD-supported value chain (VC) interventions, also in comparison with other social and economic actors?</p> <p>To what extent has the IFAD approach to VC development contributed, or continues to contribute, to the achievement of IFAD's mandate and goals, also taking into account the Sustainable Development Goals?</p> <p>What are the key conditions that have to be met for IFAD-supported VC interventions to achieve the stated goals of inclusive development for all, and how widespread are these?</p>		
	Extent to which IFAD's VC development approach is consistent with the corporate strategic frameworks and other policy objectives and instruments, including in the light of their combined effects.	Coherence and mutually reinforcing goals.	IFAD strategic frameworks and policies. Governments' policies in case study countries.
	Extent to which IFAD-supported VC approaches are in line with governments' policies and strategies.	Improvements in the livelihoods of poor participants. Socio-economic characteristics of participants.	Relevant project documents; past and ongoing evaluations.
	Extent to which IFAD-supported VC approaches target the needs of the rural poor, particularly disadvantaged or special interest groups (e.g. women, indigenous peoples, youth, landless or quasi-landless people and persons with disabilities).	Producers' ownership of the initiative. Number of VC interventions that integrated a VC analysis.	Interviews with IFAD staff, project staff, governments and other stakeholders; e-survey.
	Extent to which poor rural producers participate in the identification of VC products and models, in IFAD-supported VC interventions.	Lessons learned explicitly taken into account in successive projects. Requests received by IFAD for copies of each publication.	Case studies; interactions with project participants at national and local level.
	Extent to which IFAD-supported VC interventions are based on sound diagnostics and integrate a systematic value chain analysis in project designs.		IFAD knowledge products.
	Extent to which knowledge generated from IFAD experience has been taken into consideration by IFAD itself and its partners.		
	Relevance of IFAD's knowledge products to VC development.		

Evaluation criteria	Evaluation questions	Indicators	Data sources
Effectiveness	Extent to which interventions have led to pro-poor functioning of entire VCs or segments thereof.	Number of supported value chain interventions explicitly engaged in improving the livelihoods of poor participating households.	Relevant project documents; past and ongoing evaluations.
	Results and impact, positive and negative, of IFAD-supported VC interventions on the household incomes and assets of participants.	Improved incomes, livelihoods and assets of poor households participating in the VCs; increased availability of food throughout the year and elimination of lean periods in poor households participating in the VCs.	Interviews with staff in IFAD, governments, projects and other organizations.
	Results and impact, positive and negative, of IFAD-supported VC interventions on the food security of participants.	Improved incomes, livelihoods and assets of poor households participating in the VCs; increased availability of food throughout the year and elimination of lean periods in poor households participating in the VCs.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	Extent to which interventions have changed the capacity and behaviours of key actors in the VC.	Improved incomes, livelihoods and assets of poor households participating in the VCs; increased availability of food throughout the year and elimination of lean periods in poor households participating in the VCs.	IFAD knowledge products.
	Results and impact of IFAD-supported VC interventions on the capacities of participating producers' organizations and of other stakeholders.	Management and technical capacity of producer organizations; capacity of producer organizations to negotiate beneficial contracts; number of interventions that have led to fair and transparent contractual agreements favourable to poor participating households.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	To what extent have IFAD-supported VC interventions contributed to empowering the organizations of rural producers?	Management and technical capacity of producer organizations; capacity of producer organizations to negotiate beneficial contracts; number of interventions that have led to fair and transparent contractual agreements favourable to poor participating households.	IFAD knowledge products.
	To what extent do IFAD-supported VC interventions that engage with private sector actors, including through 4Ps, contribute to improving the incomes and livelihoods of participating poor rural producers?	Number of pro-poor private-public cooperation initiatives within the universe of partnerships and of supported projects.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	To what extent do IFAD-supported VC interventions engage private sector actors in transparent and fair contractual relationships with poor rural producers?	Number of pro-poor private-public cooperation initiatives within the universe of partnerships and of supported projects.	IFAD knowledge products.
Efficiency	Average implementation performance of VC projects compared with IFAD-funded projects in other domains.	Comparison between the performance of VC interventions and IFAD's average on selected performance indicators, e.g. time elapsed between implementation milestones, delivery of the portfolio, projects' extension.	Relevant project documents; past and ongoing evaluations.
	The degree to which partnerships have been crafted to exploit comparative strengths, competencies and experience of key actors (e.g. government and public entities, private entrepreneurs; donors and technical assistance organizations, non-government and civil society organizations).	Comparison between the performance of VC interventions and IFAD's average on selected performance indicators, e.g. time elapsed between implementation milestones, delivery of the portfolio, projects' extension.	Interviews with staff in IFAD, governments, projects and other organizations; e-survey.
	Extent to which projects have paid attention to upgrading skills and knowledge of key government and project staff.	Resources dedicated to capacity development; quality of the capacity development opportunities.	IFAD corporate information systems.
	How IFAD's organizational structure, human resources, expertise and budgets have been used to support design and implementation of the evaluated interventions and how increased decentralization may affect support to VC development.	Quality and timeliness of technical support to project teams at agreed milestones and when requested.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
Sustainability	To what extent have governments assumed ownership and leadership of VC development, including in their policy frameworks?	Degree of support from policymakers, policy and regulatory environment, strategies and programmes.	Relevant project documents; past and ongoing evaluations.
	What is the likelihood that the benefits generated by IFAD-supported VC interventions will continue after the completion of planned activities?	Analysis of cost and revenues for producers and VC actors; resilience to market volatility; long-term economic and financial projections.	Interviews with staff in IFAD, governments, projects and other organizations.
	What is the degree of profitability of interventions and approaches promoted for poor households and other key actors?	Analysis of cost and revenues for producers and VC actors; resilience to market volatility; long-term economic and financial projections.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	Extent to which risk-management arrangements were developed to cope with the different types of risk (price, climate).	Number of such arrangements in place.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	What are the prospects of sustainability for the partnerships developed by IFAD-supported VC interventions?	Degree of commitment and mutual trust among actors in the specific VC.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	To what extent are the new technologies introduced at the various levels of the pro-poor value chains economically, socially and technically appropriate and sustainable over time?	Degree of adoption of technological innovations and management processes required to continue activities in the absence of external funding.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.

Evaluation criteria	Evaluation questions	Indicators	Data sources	
Thematic areas	Gender equality	To what extent have IFAD-supported VC interventions incorporated an adequate gender equality perspective in project design?	Attention paid to: (i) women's time; (ii) addressing perceived gender-related roles and difference; (iii) skills and training needs.	Relevant project documents; past and ongoing evaluations.
		To what extent have IFAD-supported VC interventions incorporated an adequate gender equality perspective in project implementation?	Changes in women's access to assets, income, rural organizations, infrastructure workload.	Interviews with staff at IFAD, governments, projects and other organizations.
		What were the results of IFAD-supported VC interventions on women's positions in their households, workloads, incomes, food security, and leadership positions in their communities and organizations?		Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	Nutrition	To what extent have IFAD-supported VC interventions incorporated an adequate focus on nutrition in project design?	Changes in the quantity and quality of food available to household members.	Relevant project documents; past and ongoing evaluations.
		To what extent have IFAD-supported VC interventions incorporated an adequate focus on nutrition in project implementation?	Changes in household nutritional resilience to seasonal risks.	Interviews with staff at IFAD, governments, projects and other organizations.
		What were the results of IFAD-supported VC interventions on the nutritional status of rural poor participants and of the members of their households?		Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	Youth	To what extent have IFAD-supported VC interventions incorporated mechanisms to involve youth as participants, in project design?	Changes in young people's attitude and interest in value chain activities.	Relevant project documents; past and ongoing evaluations.
		To what extent have IFAD-supported VC interventions incorporated mechanisms to involve youth as participants, in project implementation?	Detectable changes in migration patterns.	Interviews with staff at IFAD, governments, projects and other organizations.
		What were the results of IFAD-supported VC interventions in integrating youth?		Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
	Natural resources management	To what extent were the VC approaches in IFAD-supported projects compatible with principles of sustainable natural resources management?	Classification of projects according to Social, Environmental and Climate Assessment Procedures review notes.	Relevant project documents; past and ongoing evaluations.
		To what extent have IFAD-supported VC interventions incorporated measures for sustainable natural resources management in project design?		Interviews with staff at IFAD, governments, projects and other organizations.
		To what extent have IFAD-supported VC interventions incorporated measures for sustainable natural resources management in project implementation?	Examples of management practices and effects on environment as well as on the production base for smallholder farmers.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.
What were the results of IFAD-supported VC interventions on the natural resource base?				
Climate change	To what extent were the VC approaches in IFAD-supported projects compatible with the need for climate change adaptation?	Classification of projects according to the Social, Environmental and Climate Assessment Procedures review notes.	Relevant project documents; past and ongoing evaluations.	
	To what extent have IFAD-supported VC interventions incorporated measures for adaptation to climate change and strengthening producers' resilience in project design?	Examples of climate change adaptation practices.	Interviews with staff at IFAD, governments, projects and other organizations.	
	To what extent have IFAD-supported VC interventions incorporated measures for adaptation to climate change and strengthening producers' resilience in project implementation?	Changes in capacity to cope with climate-related phenomena and risks.	Case studies; interactions with project participants and VC actors and stakeholders at national and local level.	
	What were the results of IFAD-supported VC interventions on producers' resilience to climate change?			

Source: CLE elaboration (2019).

Detailed description of the coding of projects and selection of countries

Review of project designs

1. As foreseen in the corporate-level evaluation (CLE) approach paper, the analysis of the entire population of projects approved by IFAD in the period 2007-2017 (later on, the exercise was repeated for 2018) started with a two-step screening¹ of the project design reports (PDRs) of the approved projects in order to identify those that explicitly included a focus on value chain development at the level of outcomes and outputs.
2. The decision to use the PDRs, rather than other entry points in the projects, allowed the CLE team to capture the evolution in the corporate approach and, in each country, the continuum “production improvement – access to markets – value chain development.” In doing so, it emerged that, frequently, value chain approaches were included in project design as a follow-up to earlier projects that addressed the first two steps of the continuum.
3. With as a basis the definition of value chain included in the approach paper, the CLE team agreed at its first inception workshop to consider a project as “including a value chain approach” where the PDR showed:
 - Market was the driving factor in the endeavour.
 - A broad consideration of the input-production-transportation-processing-storing-packaging-marketing process, and of the partners involved, guided the intervention, even if only one or a few elements of the value chain were addressed in practice.²
 - Projects that supported the systemic vision would be included as “ancillary” interventions (for example, a project specialized in rural finance that also supported a value chain system).
4. This led to the identification of 210 value-chain-relevant projects (green), and 17 ancillary projects (yellow), in 91 different countries, out of a total universe of 341 approved projects. This process was completed after validating the category of each project with the regional divisions.
5. The 227 relevant and ancillary PDRs were then analysed to identify the profile of each proposed value chain. The rubrics, or features that were selected for the assessment, originated from the evaluation questions as presented in the approach paper, and complemented by features that were suggested by members of the CLE team during the two workshops conducted in February and March. The relevance, quality, efficiency and effectiveness of each of these rubrics was assessed for the selected projects by the CLE team through country visits, past and ongoing evaluations and a mix of more in-depth desk-review and interviews.³
6. The issues used to guide the profiling of PDRs and the respective options were the following:
 - (a) Can we observe an evolution, if any, in the design of IFAD-funded projects, in the implementation approach and in the results in any given country with respect to the continuum “production enhancement – access to markets – value chain development”? Indicators in PDR and IFAD systems:
 - dates of project approval, cross-referencing in the Justification section of PDRs.
 - date of project mid-term review (MTR) and completion, actual or planned, MTRs and project completion reports (PCRs), and field visits.
 - (b) Were value chain project designs backed by some form of analysis (i.e. identification of a “problem”), what was the quality of the same and related sub-issues? Indicator in PDR: evidence that the value chain project component was informed by a diagnostic or that one was planned as one of the project activities; the option of a planned analysis option was introduced because often not sufficient resources are available for a thorough value chain analysis during the design phase.

¹ The first screening led to the identification of projects that did not have value chain elements in the design (as per the definition provided in this note), projects that had clear value chain elements and project designs that could not be immediately classified. The second screening was done by a different reviewer to add more independence to the review.

² Importantly, the “consideration: of value chain element does not imply that a thorough diagnostic of the value chain has been done.” In fact, there are cases of project design that have identified the value chain steps but without a diagnostic of “what is the problem/gap” that needs to be addressed from the point of view of the small-scale producers. This aspect will be further addressed in the main CLE analysis.

³ Note that “capacity development” was not included as a separate feature as it was a constant element of all interventions, both for participants and institutions; thus, not a discriminating factor in the selection of projects.

- (c) Were financial services foreseen to support the value chain and how did they perform? Indicator in PDR: main actor responsible for making rural financial resources available to participants in the value chains. Options: (1) through the projects; (2) through other organizations; (1, 2) both.
- (d) To what extent were project financial resources dedicated to infrastructures and what type? Indicator in PDR: provisions for rural infrastructures. Options (multiple options possible): (1) roads; (2) other; (1, 2) both.
- (e) What was the intended target group of the value chain development, was it reached, could IFAD-supported value chains be defined as “pro-poor”? Indicator in PDR: the target group of the project. Options (multiple options possible): (1) individual poor small-scale producers; (2) producer organizations; (3) communities; (4) asset-less people; (5) women (including female heads of households); (6) youth; (7) indigenous populations; (8) private-sector operators; (9) other.
- (f) What types of commodity were addressed through the value chains, what were the specific issues in their value chains? How did they affect IFAD’s end-clients? Were some more effective in poverty reductions than others? Indicator in PDR: list of value-chain commodities. Options (multiple options possible): (0) not specified; (1) grain, pulses, tubers; (2) livestock and poultry; (3) aquatic products; (4) horticulture products/tree crops/spices; (5) dairy, eggs; (6) animal products (e.g. honey, wool, silk); (7) non-wood forest products; (8) coffee, tea, cocoa, cotton, rubber, hides, skins, oil, sugar; (9) other.
- (g) What type of markets did the project try to establish linkages with? What were the specific issues in accessing these markets? What type of opportunities did they generate for small-scale producers? Indicator in PDR: type of market envisaged in the proposed value chain. Options (multiple options possible): (1) local; (2) national; (3) regional; (4) international; (5) not specified.
- (h) Did IFAD facilitate the linkage with private-sector actors in the value chain development, with what results for the poorer groups among the stakeholders?⁴ Indicator in PDR: engagement with the private sector as a stakeholder in the value chain discussed; this did not include the engagement planned with private-sector service providers contributing solely to project implementation, for example, for capacity development, input supply disjointed from the value chain, or infrastructure construction. Options: (0) not discussed; (1) discussed.
- (i) What type of arrangements did IFAD support for the governance of the value chain and what were the consequent benefits and risks for the poorer groups in the value chain? Indicator in PDR: the type of institutional arrangements proposed to enable the development of the value chain. Options (multiple options possible): (0) not specified or unclear; (1) public-private-producer partnerships (4Ps); (2) public-private partnership (PPP); (3) contract farming; (4) platforms.
- (j) What segment(s) of the value chain did projects address, and through what type of support? Indicator in PDR: focus of project activities. As multiple segments or entry-points could be addressed, multiple options were included through a yes/no answer:
- product and process upgrading: “doing things better and/or bigger,” with activities enhancing the efficiency and quality of the production processes;
 - functional upgrading: opportunities provided for stakeholders to engage in new functions, e.g. processing, transporting and marketing;
 - horizontal linkages: strengthen and formalize production and other functions across stakeholders engaging in the same activity, e.g. farmers joining cooperatives to market their produce;
 - vertical linkages: enable, develop and formalize links and relationships among stakeholders at different levels in the value chain, e.g. producers with traders;
 - marketing and consumers issues: the project foresees activities aimed at developing market

⁴ This rubric should be complemented by the analysis of the category of private-sector actor. After an initial attempt (about 50 PDRs), it was decided to set it temporarily aside as PDRs tended to be very unclear in this respect and information did not appear reliable. The CLE will analyse the selected projects in this respect and comment on it, based on the available evidence from its tools.

- intelligence information systems, labelling and branding;
- enabling environment: the project foresees activities aimed at policy dialogue, development or improvement of legislation, norms and standards, capacity development at the institutional level.
- (k) Thematic area nutrition: Were there specific activities planned to improve the nutritional level of participants, which ones and with what results? Indicator in PDR: planned activities and outputs; this did not include contributions to “food and nutrition security” by enhancing production and availability. Options: yes or no.
- (l) Thematic area natural resources management and environmental sustainability: Were there specific activities planned to improve the management of natural resources and the environmental sustainability at the targeted segment of the value chain; which ones and with what results? Indicator in PDR: planned activities and outputs. Options: yes or no.
- (m) Thematic area climate change adaptation: Were there specific activities planned to improve the resilience and adaptation to climate change of participants in the value chain; which ones and with what results? Indicator in PDR: planned activities and outputs. Options: yes or no.
- (n) Importance of value chain activities in PDR; this rubric was introduced at the end of the assessment, based on the observation that the relative importance of value chain in each PDR could differ significantly; it was conducted by the same CLE team member for all PDRs for the sake of uniformity of assessment, and “measured” the relative importance of the value chain element within the project, based on the logframe and the details provided on the value chain itself in the text. Source of information: PDR. Options: (1) low; (2) medium; (3) high.
7. Additional information taken into account was:
- the presence of an IFAD country office; and country income level as per the World Bank 2017/18 classification.
 - extent of available and expected evaluative evidence on each project, from completed and/or ongoing IOE evaluations.
8. During the first and second inception workshops, based on the observation that long-term investments are necessary to develop value chains, and that IFAD appeared to progressively support projects along the continuum production enhancement – access to markets – value chain development, and that the national context has a strong bearing on the potential for success of a value chain approach, the team concluded that a “country approach” would be more comprehensive for the CLE, rather than a “project approach.” At the same time, it was also suggested that the CLE should take into account: (i) the importance of regional and subregional common approaches or strategies at IFAD, including knowledge accumulated; (ii) the effects, if any, of regional and subregional markets and trade agreements; and (iii) the existence of some similarities in challenges and features of value chains at the regional and subregional level. This led to a ranking of countries within each IFAD regional division.
9. The information thus canvassed led to the development of a country-level scoring, obtained by multiplying the importance level given to value chains in each project (point “n” above) by the number of respective projects in each country. The list of projects in the highest-ranking countries was cross-checked to ensure that features representing the entire variety of value chain profiles supported by IFAD since 2007 would be included.
10. The CLE team also conducted a round of interviews with staff from the five Regional Divisions and the Policy and Technical Advisory Divisions in the Programme Management Department of IFAD (PMD). Inter alia, this helped validate the above review and isolate some cases of good and poor performance in supporting smallholder farmers’ access to value chains.
11. This led to a revised list of potential countries for country visits by region and subregion, complementary to the list of countries and projects that will be evaluated through the ongoing country strategy and programme evaluations (CSPEs) and project performance assessments (PPAs). For cost- and time-efficiency purposes, insofar as possible contiguous countries were proposed for the country visits. Finally, the selection of country visits included a small “redundancy assumption,” which is a good practice in the event of one or two visits becoming non-feasible (e.g. due to security reasons or any other emergency consideration).

Country visits

12. The CLE team selected ten countries⁵ for country visits and discussed the reasons for selecting each of them here below. It is important to understand that the proposed country visits were selected jointly with the choice of in-depth desk-reviews. The latter included cases where analytical and learning opportunities existed but could be reasonably tapped into with lower investment of resources.

Bosnia and Herzegovina

Key issues addressed: fragile situation, evolution of the portfolio in terms of governance of the value chains; complex value chains in terms of perishability; export markets, different arrangements for rural financial services; lack of other available evaluation evidence.

13. This is a country classified by IFAD as a fragility situation, albeit upper-middle income, which has borrowed three loans from IFAD since 2007, all of them focused on value chains, two at medium level and one at high level. One project had been completed, one was close to completion and the third only recently started. None had been evaluated apart from a project completion report validation (PCRv), and there were no immediate plans for other evaluations. Together with the Republic of Moldova, it ranked second in NEN in terms of importance of value chain development in the portfolio.
14. The main targeted commodity were berries – highly perishable and requiring particular care in production and handling, they offer the opportunity for value adding at the micro level. The international market was part of the destinations envisaged for production. Over time, projects evolved from planning no governance for the value chain, to contract farming to platforms. Different forms of rural finance arrangements were foreseen, which will allow comparison among models.

El Salvador

Key issues addressed: most projects at advanced level of implementation, opportunity for results; diverse value chain commodities; national and international markets; natural resources management important; lack of other available evaluation evidence.

15. The entire portfolio of El Salvador with IFAD in the period under evaluation included four

value-chain-related projects. One of them had been completed, one was close to completion, and two had not yet become effective although approved in 2015 and 2016, respectively. In three of them, the value chain had medium importance, and in one, a high level of importance.

16. All value chains included dairy and horticulture, in addition to other products. Most focused on production enhancement, but also included horizontal linkages and work to develop an enabling environment. From the view of governance, platforms were a recurrent element.
17. The country portfolio ranked second in LAC after Brazil in terms of importance of value chains. The inclusion of El Salvador in the list of countries to be visited mostly stemmed from its proximity with Honduras, and from both being lower-middle-income countries; the field visit could be shorter than others, but still bring added value in comparing how IFAD performs in this domain in two countries in the subregion.

Honduras

Key issues addressed: most projects at advanced level of implementation, opportunity to assess results; diverse value chain commodities; national and international markets; natural resources management important; lack of other available evaluation evidence.

18. Honduras, a lower-middle income country, borrowed funds from IFAD for three out of four projects addressing value chain development at a medium and high level of importance. The projects were either recently completed, in completion or reaching completion, offering the opportunity to capture results to a good extent.
19. Each project tended to target a different set of commodities, ranging from livestock to dairy, horticulture, coffee and non-wood forest products, all both for national and international markets. Natural resources management featured prominently in all projects. In terms of value chain segments, the focus was mostly on enhancing production, horizontal and vertical linkages.

Mauritania

Key issues addressed: diverse value chain commodities; national and international markets; 4Ps model for the governance of the value chains; entire value chain addressed; lack of other available evaluation evidence.

⁵ One additional country, the Republic of Moldova, was also visited by one member of the CLE team.

20. Mauritania, a lower-middle-income country that bridges between the Middle East and North Africa region and sub-Saharan Africa, also in terms of production and trade, had two value chains projects with IFAD, one closed and the second recently started. A third IFAD-supported project did not address value chains.
21. The commodities addressed included livestock, dairy products, oasis products and gum Arabic, thus aimed at local, national and international markets.
22. It was one of the few countries where IFAD had a 4Ps approach; and the two projects addressed all segments in the value chain.

Morocco

Key issues addressed: evolution of the portfolio and diversity in focus on value chains; isolated target population; diverse value chain commodities mostly for national markets; lack of other available evaluation evidence.

23. The Government of Morocco requested that IFAD concentrate its project support in mountainous and isolated areas, developing production and value chains there. Four projects were ongoing, at different stages of progress, two of which highly focused on value chains, one medium and one low. Another ongoing project did not address value chain development. No evaluations had yet been carried out.
24. Together with Sudan (which was reviewed through past evaluative evidence, complemented with Skype interviews), Morocco ranked first in NEN in terms of importance of value chain development in the portfolio, and its example could be useful for other countries in the subregion.
25. Infrastructure investments included roads only in one case, and the international market was envisaged also in one case only. Commodities includes livestock, dairy, olives and honey; hence, quite diverse.

Nepal

Key issues addressed: evolution of the portfolio; target population; partnership with an NGO as an intermediary; national markets; different arrangements for rural financial services; lack of other available evaluation evidence; mountain areas and remote sites; ethnic minority groups.

26. Nepal had borrowed four loans from IFAD since 2007, all highly focused on value chain development, in addition to two other loans

that did not include a value chain approach. Little or no evaluative evidence was available for these (the 2012 CPE was conducted when they were just incipient), and no evaluation was planned (the 2018 PPE was done on a project without value chain elements). Nepal ranked highest in APR together with Viet Nam in terms of importance of value chain development in the portfolio.

27. Nepal is a low-income country, with high rates of poverty. Understanding why the Government decided to borrow for four out of six loans focused on value chain could provide interesting insights in how IFAD operates, and was perceived in this domain. Three of the projects were ongoing, at different levels of progress, and the fourth had been recently approved.
28. One of the value chain projects (High Value Agriculture Project in Hill and Mountain Areas [HVAP]) was supported by an international NGO, the Netherlands Development Organisation (SNV), in the role of intermediary. The value chains addressed mostly national markets, along geographical corridors, and included different commodities, among them non-wood forest products (not a common case in most other countries).
29. The target group also included migrants and refugees, a specific feature of the country, as well as ethnic minorities in areas that were very difficult to reach. Moreover, it was important to analyse to what extent poor producers were benefiting from the value chain. Different forms of rural finance arrangements were foreseen, so allowing comparison among models.

Niger

Key issues addressed: a value chain development model focused on the development of semi-wholesale markets and on governance mechanisms built on traditional conflict-resolution mechanisms.

30. Niger, a low-income country, was added to the list of the countries to be visited by the CLE during the evaluation, through a suggestion within IOE linked to a project evaluation.
31. The IFAD portfolio in Niger, although at design level largely focused on "primary production and access to markets," had significantly evolved during implementation towards a model of enhanced market access and value chain development based on: the building of semi-wholesale market infrastructure; the development of collection and supply centres; and the establishment of multi-stakeholder

platforms based on traditional institutions for the management of common goods as a governance mechanism.

32. Including Niger thus allowed the CLE to expand its analysis to another, significantly diverse approach implemented by IFAD for value chain development.

Rwanda

Key issues addressed: value chain commodities for national and international markets; integration in global value chains; governance of the value chains.

33. A low-income country, Rwanda had its entire portfolio with IFAD from 2007 onwards, focused on value chains at a high level of importance in three cases, and at a medium level of importance in the fourth (object of an ongoing PPA).
34. The “highly important” value chain projects addressed dairy in two cases, and coffee, tea and silk in another. These are all key commodities, aimed at the national and international markets (the international market element was here the strongest of all countries proposed for field visits). In addition, one of the dairy projects featured a 4Ps approach.
35. Rwanda was the second-highest ranking country in the ESA region, after Kenya where a CSPE and an IE were ongoing, in terms of importance of value chains in the portfolio.

Senegal

Key issues addressed: strong focus of the portfolio on value chains; diverse value chain commodities mostly for national markets; rural financial services all by third party; governance of the value chains; integration of natural resources management and climate change issues in the value chains; lack of other available evaluation evidence.

36. Senegal, a low-income country, had its entire IFAD portfolio reviewed – three projects, addressing livestock and horticulture value chains. One project had been completed and two were ongoing when the CPE was carried out in 2014, and the two ongoing projects were in their early stages or just started. Moreover, two of the projects, the Agricultural Value Chains Support Project and its extension, are considered success stories by IFAD.
37. Together with Ghana (which was reviewed through past evaluative evidence and Skype interviews), it ranked first in WCA in terms of importance of value chain development in the portfolio.

38. In all projects, rural finance was provided by a third party; and supporting platforms of value chain stakeholders were planned in two projects. Moreover, for the entire portfolio, sustainable natural resources management and climate change adaptation were important features.

Viet Nam

Key issues addressed: evolution of the portfolio; ancillary project; mixed focus on value chains; target population; open-ended approach to identify the value chains; different arrangements for rural financial services and focus on enabling environment; lack of other available evaluation evidence; indigenous peoples and ethnic minorities.

39. Viet Nam is a lower-middle-income country, with strong internal differences in access to opportunities and services. The Viet Nam portfolio included eight value-chain-relevant projects, of which two had been completed, one had recently been started and all others were at different levels of progress. One of the projects was classified as ancillary, which allowed the opportunity to assess how collaboration across projects functioned in the context of value chains. Limited evaluative evidence was available. Viet Nam ranked highest in APR together with Cambodia in terms of importance of value chain development in the portfolio.
40. Five of the projects included the private sector in their target group, as well as indigenous groups. These were not common features, and the team was able to assess how effective IFAD’s approach had been in these cases. The portfolio also offered a mix of low, medium and high focus on value chains, which enabled the team to assess the relative success and challenges at each level of focus.
41. Another peculiar feature was that project designs tended to be “open-ended” in terms of commodities and only one project identified in the PDR the commodity of the value chain. The CLE thus had the opportunity to understand whether this approach entailed a strategic advantage as argued by some country programme manager (CPMs), or not. Moreover, half of the projects intended to work at the enabling environment level, which was not very common. Different forms of rural finance arrangements were foreseen, so allowing comparison among models.

In-depth desk-reviews

42. In addition to the country visits, the CLE relied on a number of country and project in-depth desk-reviews, addressing those countries and projects where value chain approaches were implemented

and for which sufficient evaluative evidence was available from completed evaluations to develop an informed understanding of issues and results. While these countries did provide useful evidence to address CLE questions, at that stage the team expected that a country visit was likely to provide a lower return on resources invested, given the previous knowledge was already available through independent sources at a rather detailed level and could be complemented through distance interviews.

43. These country desk-reviews entailed: extraction of relevant information from completed evaluations; analysis of project documents such as MTRs, supervision reports, PCRs; interviews with CPMs, key stakeholders in the country, e.g. programme coordinators and directors; and key partners.
44. The countries and projects selected included:
 - Bangladesh: largely investment in transportation and storage infrastructure, quite well documented in a CSPE, and complemented via Skype interviews.
 - Brazil: investments in processing, already documented by the PPE Gente de Valor and a CSPE. The Brazil portfolio had advanced little in implementation in the past three years.
 - Cambodia: examples of involvement of private-sector operators both in extension and marketing and in specialized niches such as “green products” that require certification. Documented by a recent CSPE.
 - Cameroon: not very successful attempts to link producers of roots and tubers and fresh vegetables to markets. Documented by a recent CSPE.
 - China: opportunity to review past PPEs and also by an impact assessment by the Research and Impact Assessment Division of IFAD.
 - Ghana: contained a proto-value-chain project in roots and tubers, plus not very successful attempts to connect farmers to grain and fresh vegetables value chains. Documented by a CPE in 2012 and a recent PPE.
 - Indonesia: most interesting aspect was a collaboration with a multinational on coffee extension in a closed project. However, this was partly covered by a CPE, and there was also an IFAD learning study done with the Institute of Development Studies.
 - Mozambique: three out of four loans focused on value chains for different commodities. Analysed through a recent CSPE.

BOX 1

CLE overarching and corollary questions

Overarching questions:

- 1) Is the IFAD approach to pro-poor value chain development an effective way to sustainably reduce rural poverty? To what extent, under what conditions and for whom?
- 2) To what extent are IFAD’s organizational set-up and instruments conducive to design and support effective pro-poor value chains?

Corollary questions:

- i) To what extent did and do the traditional target group of the Fund, i.e. the rural poor and their households, benefit from IFAD-supported value chain interventions, also in comparison to other social and economic actors?
- ii) To what extent did and do the IFAD approach to value chain development contribute to the achievement of IFAD’s mandate and goals, also taking into account the Sustainable Development Goals?
- iii) What are the key conditions that have to be met for IFAD-supported value chain interventions to achieve the stated goals of inclusive development for all, and how widespread are these?
- iv) To what extent can IFAD’s business model of loan-financed, and government-owned and -led initiatives, best support the development of pro-poor value chains?

Groups of stakeholders at country level

- a) IFAD country office
- b) Project coordination/implementation unit staff
- c) Government staff, central and decentralized levels
- d) Producers and processors and their organizations, including women and youth
- e) Private-sector entities and other value chain stakeholders engaged with the project
- f) Rural finance institutions collaborating or not with the project
- g) Service providers collaborating with the project
- h) United Nations agencies, international financial institutions, bilateral development agencies
- i) Sectoral organizations, chamber of commerce, commodity board members not engaged with the project

Source: CLE elaboration (2019).

- Nicaragua: work done on processing and marketing via cooperatives and including indigenous areas. Documented by a recent CPE;
- Sudan: work done on gum Arabic. Documented by a PCRV. The country had security issues, which might have impinged on opportunities to visit more recent project areas.
- Uganda: work done on vegetable oil development, a long-term initiative involving contract farming and establishment of small-scale processing plants managed by producers.

CSPEs:

- Burkina Faso
- Georgia
- Kenya
- Sri Lanka
- Tunisia

PPEs:

- Guyana
- Republic of Moldova
- Sri Lanka

Impact evaluation:

- Kenya

Country visits checklist

45. Furthermore, the CLE also assessed one project that was one of the earliest experiences in supporting export market value chains and considered a success story by IFAD, namely, the Smallholder Commercial Agriculture Project (PAPAC) in Sao Tome and Principe.

Ongoing evaluations

46. The CLE team also drew evaluative evidence from the 2018 ongoing IOE evaluations, including CSPEs, PPAs and IEs. The CLE team collaborated with the evaluation managers in identifying key questions and issues about value chain development at the level of the approach paper for each evaluation. Teams were asked to provide a short note after field visits on the key features of the value chain components in projects and in the country portfolio.

47. This checklist is a guide for meetings with country-level stakeholders. It is not a blueprint. Team members should use the checklist as a reference to ensure that the key points are covered, but will need to adapt and, when necessary, be selective according to the specific context and time available for interviews.

48. The questions originate from the evaluation matrix (approach paper) and are organized by

groups of stakeholders to be met. The criteria each question “belongs” to is also indicated. However, the questions are listed following a possible logic for the discussion. The first question for each group of stakeholders is broad and open-ended and may be useful to start the conversation. However, each meeting should start with a brief explanation of the purpose of the evaluation and of the meeting, and by assuring the participants of the confidentiality of the discussion.

49. Each team will need to discuss before the meetings how to share the questions among themselves and who is to take notes. Notes from each meeting should be transferred as soon as possible into an electronic format, clearly indicating who was attending, and where and when the meeting was held. If interlocutors do not have visiting cards, please take note of first and family name and role. Where the meeting is with many people, e.g. with a producer organization, please also take note of how many women, men and young people were attending, at least an approximate number.
50. The minutes can be in the form of bullet points, very simple provided that they are intelligible for non-participants. Minutes will be kept within the CLE team only; hence, they can be truly candid.
51. Once the country visit is completed, the team should synthesize the findings by issue/question in the field visit template provided separately.
52. It is recommended that the team members review the approach paper, notably the annex with the matrix of key questions, including the overarching and the corollary questions (box 1).
53. Box 2 indicates the main groups of stakeholders in each country. To some extent, meeting programmes will be already done by the time the team arrives in the countries, but there is always room for adjustments, additions and cancelling. Groups a-f are priority in the event of time constraints.

Key issues to discuss with the IFAD CPM and country office

- (i) Overview of the importance of the value chain components/projects in the country portfolio, and their strengths and weaknesses. Any IFAD grant working on value chain?
 - government policies and strategies of importance for value chain, and government’s interest and commitment to value chain development;

- what IFAD’s philosophy and approach of intervention were;
- quality of design, lessons learned from the past, type of analysis conducted, budget for analytical work at design and implementation;
- engagement with value chain actors;
- targeting: who is targeted and how (especially, poor groups, women, youth, etc.).

(iii) Effectiveness:

- what changed in capacity development of rural producers, of empowerment of individuals and producer organizations;
- what we know on impact on poverty and what the main sources are:
 - household income and assets,
 - farmers organizations,
 - nutrition;
- what we know about result disaggregation by gender, youth, and minority groups;
- whether projects are involved in natural resources management, climate change adaptation and what the key findings on these are.

(iv) Are projects promoting innovations for value chain development?

- for example, technology for production or processing, institutional innovations (e.g. stakeholder platforms, contract farming), rural finance products, risk management (insurance, price hedging).

(v) Efficiency:

- Are projects running into delays in value chain development? Why?
- What is the government’s capacity to deal with value chains?
- How is the country office (or, more generally, the country team) supporting implementation? Does it have specialized skills and resources to do so?
- Is headquarters providing support? Specifically, are IFAD toolkits useful?

(vi) Sustainability:

- What are the main threats to sustainability (e.g. for price fluctuation, production, climate, elite capture) and the measures put in place to manage them?

(vii) Non-lending activities:

- quality of partnerships with: (i) government agencies; (ii) international organizations; (iii) NGOs, civil society organizations; (iv) rural finance institutions; and (v) private entrepreneurs and their associations;
- documentation, systematization of experiences;
- engagement in policy discussions;
- engagement in South-South cooperation.

Key issues to discuss with the project coordination unit

Similar as for IFAD staff. Also ask their views about the support received from IFAD.

Key issues to discuss with government staff, central and decentralized levels

- views on national policies and strategies that relate to value chains;
- views about IFAD's work on value chains and quality of projects. What is special about IFAD? What could be improved?
- views about other international organizations' work on value chains;
- views on IFAD as a partner and in policy dialogue.

Key issues to discuss with international organizations

- overall engagement at the country level in value chain development;
- government's interest and commitment to value chain development;
- how their projects address value chain development;
- what they see as main results for poor rural producers who engage in value chains in the country, in the interventions of the organization itself;

- what they know about and think of IFAD-funded projects;
- thematic areas: Do their interventions on value chain address in any specific way the following issues: gender equality, integration of youth, nutrition, natural resources management and climate change adaptation?

Key issues to discuss with producers and processors and their organizations, including women and youth

- What has been the work done with the support of the project and what have been the main changes this has brought to the community, association and individuals?
- Targeting: Who are the members of the association? Who are the people in the association working with the project? What is their social and economic status in the community? How many women, men and young people are part of the group of participants?
- (i) Effectiveness: What is the overall return/benefit of the assistance received (please provide description and numbers):
 - price change,
 - produce sold in markets,
 - income,
 - more/better food in the household,
 - workload (particularly for women),
 - learning new skills,
 - other.
- (ii) In the case of contract farming, describe how it works and your experience with it.
- (iii) Participation and benefit for: women and young people.
- (iv) Natural resources, climate change adaptation:
 - change in use of fertilizers, pesticides, water and soil management;
 - change in crop yields;
 - management of forests/management of fisheries, fishing gear.

(v) Sustainability:

- Are you making a profit? Would you invest more of your equity in these activities?
- If project assistance stopped, what would happen? Do you need any type of support in the long term? On what?

Key issues to discuss with private-sector entities and other value chain stakeholders that collaborate with the project

- (i) What has been the work done with the support of the project and what have been the main results so far?
- (ii) What is their view of the support received by the project?
- (iii) What have been the changes in their business and profits through the participation in the project? Can they disclose some examples/figures?
- (iv) Has the project introduced new knowledge, skills and technologies?
- (v) Are they making profits? Do they plan to further invest in these types of activities?
- (vi) If project assistance stopped, what would happen? Do they need any type of support in the long term? On what? What are the main risks?
- (vii) Do they see any major issue with environment preservation, pollution?

Key issues to discuss with rural finance institutions collaborating with the project

- (i) Main products offered and main activities. Please provide information on pricing of products (e.g. maturity, interest rates, grace period, and collateral required).
- (ii) Experience of working with the project: Positive and negative? What have been the main innovations?
- (iii) Number and type of clients: Is there a solid business case?
- (iv) Are the activities profitable? Are you planning to continue with this, further invest in these activities?
- (v) Views on the clients: Poor people, women and youth. Are they appreciating your products? Are you interested in reaching them?

- (vi) What are the main problems, risks and missing elements in the project? What would you change in the project?

Key issues to discuss with service providers collaborating with the project

- (i) Main services offered.
- (ii) Experience working with the project: positive and negative? What have been the main innovations?
- (iii) Number and type of clients: Is there a solid business case?
- (iv) Are the activities profitable? Are you planning to continue with this, further invest in these activities?
- (v) Views on the clients: Poor people, women and youth. Are they appreciating your products? Are you interested in reaching them?
- (vi) What are the main problems, risks and missing elements in the project? What would you change in the project?

Key issues to discuss with sectoral organizations, chamber of commerce, commodity board members and rural financial institutions that do not engage with the project(s)

- (i) Overview of their role in the sector.
- (ii) Profile of their members.
- (iii) What type of relationships do they have with small-scale/poor producers?
- (iv) Do they collaborate with other development partners and how?
- (v) What type of collaboration would they like to have with IFAD if any?
- (vi) What risk-mitigation measures do they have in place?
- (vii) Are there any specific norms and standards they follow with respect to natural resources management and climate change?

54. The review will entail the analysis of the following documents: Project documents including PDRs, MTRs, PCRs or supervision reports; QA minutes; COSOPs, PPA/Es and CS/PEs, PCRVs.

Annex IV

Electronic survey

1. The survey's objective was to obtain quantitative and qualitative information from IFAD and project staff regarding key pro-poor value chain aspects in IFAD-supported projects.
2. The survey population consisted of: (i) IFAD professional staff; and (ii) directors, coordinators and managers of IFAD-funded projects. The survey was distributed in July 2018; and closed in September 2018.
3. The total sample size included 480 participants, of which 242 were IFAD professional staff (33 per cent overall response rate, and 26 per cent response rate to all questions), and 238 were IFAD project managers (56 per cent overall response rate, and 51 per cent response rate to all questions); the overall response rate was 44 per cent including partial responses, and 38 per cent for full responses.
4. Results compiled in this document show the total survey responses and the results disaggregated by:
 - IFAD staff: managers and staff members of IFAD;
 - project staff: directors, coordinators and managers of IFAD-funded projects.
5. The analysis of the survey responses show that 63 per cent of responses came from project staff, and 37 per cent from IFAD staff. Out of the IFAD staff responses, 57 per cent of respondents were based outside of IFAD headquarters, and the remaining 43 per cent based at headquarters.
6. To conform with good practice, a statistical significance test was done.¹ The test served to see whether there was any statistically significance difference of the survey responses when divided into subgroups of respondents: * = statistically significant at 10 per cent, ** = statistically significant at 5 per cent, and *** = statistically significant at 1 per cent.

¹ Two-sample t-test for unequal variances. Statistical software used: STATA, version 13.

Results

Descriptive information

TABLE 1

What language do you want to use?

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
English	70	76	66
French	17	16	18
Spanish	10	8	11
Arabic	3	0	5
Answered	222	79	133

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 2

I am:

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
A manager/staff member of IFAD	37	100	0
A director/coordinator or manager of an IFAD-funded project	63	0	100
Answered	212	79	133

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 3

Where are you based?

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
IFAD headquarters	43	43	NR
Outside headquarters	57	57	NR
Answered	79	79	-

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 4

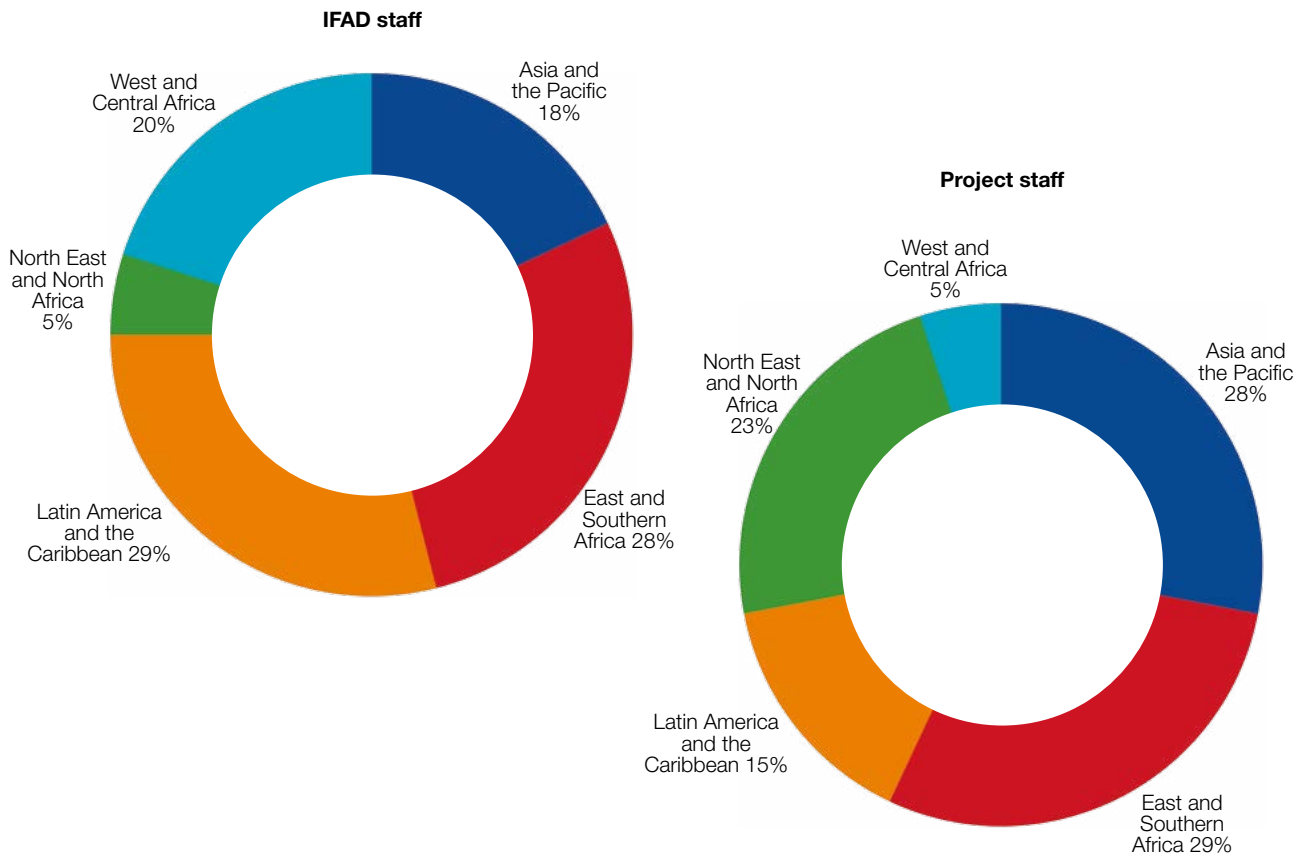
Please indicate which region you are most familiar with in your professional experience with IFAD:

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
Asia and the Pacific	24	18	28
East and Southern Africa	29	28	29
Latin America and the Caribbean	20	29	15
Near East and North Africa	16	5	22
West and Central Africa	11	20	5
Answered	205	76	129

Source: IOE pro-poor value chain development questionnaire (2018).

FIGURE 1

Regions respondents are most familiar with



Source: CLE elaboration from e-survey (2019).

IFAD's vision and capacity to work on value chains

TABLE 5

To what extent do you agree or disagree with the following statements?

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
IFAD has a clear vision of how value chain development contributes to rural poverty reduction	1%	3%	4%	10%	43%	40%	2	5.1	4.8	5.3
IFAD has technical expertise to adequately support its current portfolio of value chain development projects	1%	4%	8%	23%	40%	24%	6	4.7	4.3	4.9
IFAD trains its staff and consultants on pro-poor value chain approaches	1%	13%	13%	30%	32%	12%	24	4.2	3.5	4.6
IFAD partners with other organizations that have value chain expertise	1%	2%	11%	21%	42%	23%	14	4.7	4.4	4.9
IFAD learns from its experience on value chain development	1%	2%	6%	20%	42%	29%	13	4.9	4.5	5.1
							Answered	199	71	128

Source: IOE pro-poor value chain development questionnaire (2018).

IFAD's value chain knowledge products

TABLE 6

I am aware that IFAD has prepared toolkits and guidance documents on value chains:

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
Yes	65	89	51
No	35	11	49
Answered	199	72	127

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 7

I have found IFAD toolkits and guidance documents on value chains useful for my work:

Answer choices	Response (%)	IFAD staff (%)	Project staff (%)
Yes	84	80	89
No	16	20	11
Answered	129	64	65

Source: IOE pro-poor value chain development questionnaire (2018).

Support to governments, projects and service providers

TABLE 8

Please indicate to what extent you agree or disagree with the following statements:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
IFAD provides adequate support to the capacity of governments on pro-poor value chain development	1%	5%	14%	32%	31%	17%	10	4.4	3.9	4.7
IFAD provides adequate support to the capacity of project management units on pro-poor value chain development	1%	6%	10%	28%	37%	17%	6	4.5	4.1	4.7
IFAD provides adequate support to the capacity of service providers on pro-poor value chain development	2%	7%	18%	37%	30%	7%	13	4.1	3.7	4.3
Answered								196	71	125

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 8.1

Project staff. Please indicate to what extent you agree or disagree with the following statements:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
IFAD provides adequate support to the capacity of governments on pro-poor value chain development	0%	4%	7%	28%	43%	18%	5	4.7
IFAD provides adequate support to the capacity of project management units on pro-poor value chain development	1%	5%	5%	25%	43%	21%	3	4.7
IFAD provides adequate support to the capacity of service providers on pro-poor value chain development	1%	6%	9%	37%	39%	8%	10	4.3
Answered								125

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 8.2

IFAD staff. Please indicate to what extent you agree or disagree with the following statements:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average IFAD staff
IFAD provides adequate support to the capacity of governments on pro-poor value chain development	3%	6%	27%	41%	9%	14%	5	3.9
IFAD provides adequate support to the capacity of project management units on pro-poor value chain development	0%	9%	19%	35%	26%	10%	3	4.1
IFAD provides adequate support to the capacity of service providers on pro-poor value chain development	3%	9%	32%	37%	13%	6%	3	3.7
Answered								71

Source: IOE pro-poor value chain development questionnaire (2018).

Integrating pro-poor value chain approaches in IFAD-supported country strategies and projects

TABLE 9

Please indicate to what extent you agree or disagree with the following statements:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
IFAD provides adequate guidance for integrating pro-poor value chain approaches in its country strategies (COSOPs)	0%	5%	1%	28%	49%	17%	13	4.7	4.5	4.8
IFAD provides adequate guidance for integrating pro-poor value chain approaches in project design	1%	2%	4%	23%	47%	24%	12	4.9	4.9	4.9
Sufficient resources are allocated for pro-poor value chain analysis	4%	7%	6%	34%	33%	15%	30	4.3	3.7	4.5
IFAD-supported value chain project designs adequately address the main risks and constraints	1%	4%	8%	37%	38%	13%	24	4.4	4.4	4.5
IFAD provides quality expertise on pro-poor value chain development during project implementation	1%	6%	7%	33%	36%	17%	23	4.5	4.4	4.5
							Answered	192	67	125

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 9.1

Project staff. Please indicate to what extent you agree or disagree with the following statements:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
IFAD provides adequate guidance for integrating pro-poor value chain approaches in its country strategies (COSOPs)	0%	3%	0%	25%	54%	18%	5	4.8
IFAD provides adequate guidance for integrating pro-poor value chain approaches in project design	1%	2%	3%	24%	48%	23%	4	4.9
Sufficient resources are allocated for pro-poor value chain analysis	2%	4%	4%	37%	39%	16%	11	4.5
IFAD-supported value chain project designs adequately address the main risks and constraints	1%	4%	8%	34%	41%	12%	11	4.5
IFAD provides quality expertise on pro-poor value chain development during project implementation	1%	3%	7%	35%	37%	17%	10	4.5
							Answered	125

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 9.2

IFAD staff. Please indicate to what extent you agree or disagree with the following statements:

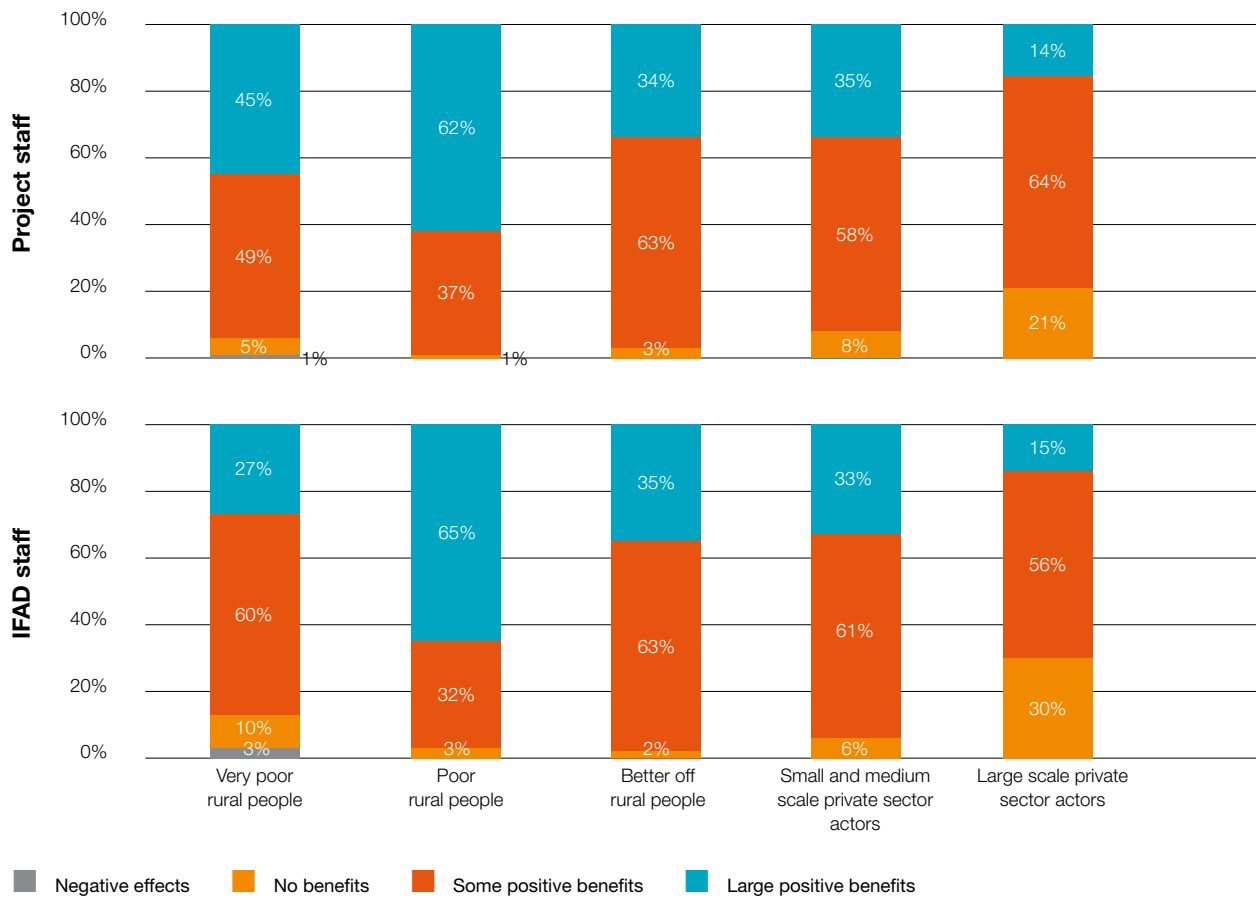
Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average IFAD staff
IFAD provides adequate guidance for integrating pro-poor value chain approaches in its country strategies (COSOPs)	0%	8%	3%	35%	38%	15%	7	4.5
IFAD provides adequate guidance for integrating pro-poor value chain approaches in project design	0%	2%	7%	20%	45%	27%	7	4.9
Sufficient resources are allocated for pro-poor value chain analysis	10%	17%	13%	27%	21%	13%	19	3.7
IFAD-supported value chain project designs adequately address the main risks and constraints	0%	6%	9%	43%	30%	13%	13	4.4
IFAD provides quality expertise on pro-poor value chain development during project implementation	2%	11%	7%	28%	33%	19%	13	4.4
							Answered	192

Source: IOE pro-poor value chain development questionnaire (2018).

Beneficiaries of IFAD-supported value chain projects

FIGURE 2

The extent to which various categories of stakeholders benefited from IFAD-funded interventions



Source: CLE elaboration from e-survey (2019).

TABLE 10

Please indicate the extent to which the following categories of stakeholders have benefited from IFAD-funded interventions, according to your experience:

	Negative effects	No benefits	Some positive benefits	Large positive benefits	Total
All responses					
Very poor rural people	2%	7%	53%	39%	100%
Poor rural people	0%	2%	35%	63%	100%
Better-off rural people	0%	3%	63%	34%	100%
Small- and medium-scale private-sector actors	0%	7%	59%	34%	100%
Large-scale private-sector actors	0%	24%	61%	15%	100%
Others	0%	4%	75%	21%	100%
IFAD staff answer choices:					
Very poor rural people	3%	10%	60%	27%	100%
Poor rural people	0%	3%	32%	65%	100%
Better-off rural people	0%	2%	63%	35%	100%
Small- and medium-scale private-sector actors	0%	6%	61%	33%	100%
Large-scale private-sector actors	0%	30%	56%	15%	100%
Others	0%	6%	67%	28%	100%
Project manager answer choices:					
Very poor rural people	1%	5%	49%	45%	100%
Poor rural people	0%	1%	37%	62%	100%
Better-off rural people	0%	3%	63%	34%	100%
Small- and medium-scale private-sector actors	0%	8%	58%	35%	100%
Large-scale private-sector actors	0%	21%	64%	14%	100%
Others	0%	3%	80%	17%	100%

Source: IOE pro-poor value chain development questionnaire (2018).

Approaches and instruments in the IFAD-supported value chains projects

TABLE 11

Please indicate to what extent you agree or disagree with the following statements. IFAD-supported value chain projects focus on the following approaches or instruments:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
Development/revision of public policies of relevance to value chain development	2%	9%	14%	34%	30%	11%	15	4.1	3.7	4.4
Development of market linkages	0%	1%	4%	16%	49%	30%	3	5.0	5.0	5.0
Development of market information systems	0%	6%	6%	36%	37%	16%	9	4.5	4.4	4.6
Development of governance mechanism for the entire value chain	0%	5%	12%	31%	40%	13%	8	4.4	4.2	4.5
Development of contractual relationships between the private sector and poor rural producers	0%	2%	8%	26%	40%	25%	6	4.8	4.8	4.8
Facilitating access of poor rural producers to financial instruments (e.g. microloans, matching grants) that enable participation in the value chain	0%	3%	3%	13%	46%	35%	4	5.1	5.0	5.1
Improvement and/or innovation of production techniques	0%	1%	3%	15%	50%	30%	2	5.0	5.1	5.0
Improvement and/or innovation of processing techniques	0%	2%	6%	21%	45%	26%	8	4.9	4.8	4.9
Strengthening of producer organizations through various tools (including multi-stakeholder platforms)	0%	2%	2%	13%	42%	43%	3	5.2	5.4	5.1
							Answered	184	63	122

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 11.1

Project staff. Please indicate to what extent you agree or disagree with the following statements. IFAD-supported value chain projects focus on the following approaches or instruments:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
Answer choices								
Development/revision of public policies of relevance to value chain development	1%	8%	8%	33%	36%	14%	12	4.4
Development of market linkages	0%	2%	3%	15%	50%	30%	3	5.0
Development of market information systems	0%	5%	4%	37%	37%	17%	7	4.6
Development of governance mechanism for the entire value chain	0%	4%	9%	28%	46%	13%	6	4.5
Development of contractual relationships between the private sector and poor rural producers	0%	3%	7%	26%	42%	23%	5	4.8
Facilitating access of poor rural producers to financial instruments (e.g. microloans, matching grants) that enable participation in the value chain	0%	3%	3%	13%	50%	33%	3	5.1
Improvement and/or innovation of production techniques	0%	2%	2%	15%	52%	29%	1	5.0
Improvement and/or innovation of processing techniques	0%	2%	7%	18%	47%	27%	5	4.9
Strengthening of producer organizations through various tools (including multi-stakeholder platforms)	0%	2%	2%	14%	45%	36%	2	5.1
							Answered	122

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 11.2

IFAD staff. Please indicate to what extent you agree or disagree with the following statements. IFAD-supported value chain projects focus on the following approaches or instruments:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average IFAD staff
Answer choices								
Development/revision of public policies of relevance to value chain development	3%	12%	25%	36%	17%	7%	3	3.7
Development of market linkages	0%	0%	6%	17%	48%	29%	0	5.0
Development of market information systems	0%	7%	8%	35%	37%	13%	2	4.4
Development of governance mechanism for the entire value chain	0%	5%	18%	37%	28%	12%	1	4.2
Development of contractual relationships between the private sector and poor rural producers	0%	0%	11%	26%	35%	27%	1	4.8
Facilitating access of poor rural producers to financial instruments (e.g. microloans, matching grants) that enable participation in the value chain	0%	3%	5%	15%	38%	39%	1	5.0
Improvement and/or innovation of production techniques	0%	0%	5%	16%	47%	32%	1	5.1
Improvement and/or innovation of processing techniques	0%	2%	5%	27%	42%	25%	3	4.8
Strengthening of producer organizations through various tools (including multi-stakeholder platforms)	0%	0%	2%	10%	34%	55%	1	5.4
							Answered	63

Source: IOE pro-poor value chain development questionnaire (2018).

Effectiveness of approaches and instruments in the IFAD-supported value chains projects

TABLE 12

Please indicate to what extent you agree or disagree with the following statements. The following approaches and instruments have contributed to positive results for poor rural producers:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
Development/revision of public policies of relevance to value chain development	1%	6%	12%	31%	36%	14%	23	4.4	4.2	4.5
Development of market linkages	0%	2%	3%	18%	45%	31%	7	5.0	5.0	5.0
Development of market information systems	0%	4%	7%	29%	39%	20%	14	4.7	4.7	4.6
Development of governance mechanism for the entire value chain	0%	3%	10%	29%	40%	18%	15	4.6	4.5	4.6
Development of contractual relationships between the private sector and poor rural producers	0%	2%	8%	22%	38%	30%	8	4.8	4.9	4.8
Facilitating access of poor rural producers to financial tools that enable participation in the value chain	0%	1%	3%	23%	41%	32%	7	5.0	5.1	4.9
Improvement and/or innovation of production techniques	0%	1%	1%	18%	51%	29%	9	5.1	5.2	5.0
Improvement and/or innovation of processing techniques	0%	1%	2%	24%	47%	26%	15	4.9	4.9	5.0
Strengthening of producer organizations	0%	1%	2%	12%	46%	39%	11	5.2	5.3	5.1
							Answered	179	62	118

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 12.1

Project staff. Please indicate to what extent you agree or disagree with the following statements. The following approaches and instruments have contributed to positive results for poor rural producers:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
Answer choices								
Development/revision of public policies of relevance to value chain development	0%	4%	13%	27%	41%	15%	18	4.5
Development of market linkages	0%	3%	2%	18%	50%	28%	6	5.0
Development of market information systems	0%	5%	9%	29%	38%	20%	11	4.6
Development of governance mechanism for the entire value chain	0%	4%	6%	31%	42%	18%	11	4.6
Development of contractual relationships between the private sector and poor rural producers	0%	4%	8%	21%	41%	27%	7	4.8
Facilitating access of poor rural producers to financial tools that enable participation in the value chain	0%	2%	4%	23%	41%	30%	6	4.9
Improvement and/or innovation of production techniques	0%	1%	2%	18%	52%	27%	7	5.0
Improvement and/or innovation of processing techniques	0%	1%	3%	22%	48%	26%	10	5.0
Strengthening of producer organizations	0%	2%	3%	12%	47%	37%	7	5.1
							Answered	118

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 12.2

IFAD staff. Please indicate to what extent you agree or disagree with the following statements. The following approaches and instruments have contributed to positive results for poor rural producers:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
Answer choices								
Development/revision of public policies of relevance to value chain development	3%	12%	25%	36%	17%	7%	5	4.2
Development of market linkages	0%	0%	6%	17%	48%	29%	1	5.0
Development of market information systems	0%	7%	8%	35%	37%	13%	3	4.7
Development of governance mechanism for the entire value chain	0%	5%	18%	37%	28%	12%	4	4.5
Development of contractual relationships between the private sector and poor rural producers	0%	0%	11%	26%	35%	27%	1	4.9
Facilitating access of poor rural producers to financial tools that enable participation in the value chain	0%	3%	5%	15%	38%	39%	1	5.1
Improvement and/or innovation of production techniques	0%	0%	5%	16%	47%	32%	2	5.2
Improvement and/or innovation of processing techniques	0%	2%	5%	27%	42%	25%	5	4.9
Strengthening of producer organizations	0%	0%	2%	10%	34%	55%	4	5.3
							Answered	62

Source: IOE pro-poor value chain development questionnaire (2018).

Results of IFAD-supported pro-poor value chain development projects

TABLE 13

Please indicate to what extent you agree or disagree with the following statements. IFAD-supported value chain projects have contributed to:

Answer choices	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average all	Average IFAD staff	Average project staff
Improvement in food and nutrition security of the rural poor	0%	1%	4%	26%	41%	29%	10	4.9	4.6	5.1
Increase in assets and incomes of the rural poor	0%	0%	1%	17%	48%	34%	19	5.2	4.9	5.3
Better capacity of producer organizations regarding quality	0%	0%	1%	20%	52%	28%	12	5.1	5.0	5.1
Better capacity of producer organizations on processing and marketing aspects	0%	1%	1%	27%	46%	25%	12	4.9	4.7	5.0
Better capacity of producer organizations on planning, management and negotiation	0%	1%	4%	36%	43%	17%	10	4.7	4.6	4.8
Improvement in poor rural women's status and decision-making power	0%	1%	5%	25%	45%	23%	14	4.8	4.5	5.0
Improvement in economic opportunities for young people	1%	1%	5%	30%	47%	16%	14	4.7	4.2	4.9
Sustainable management of natural resources	0%	2%	7%	33%	41%	17%	13	4.7	4.1	4.9
Resilience of poor rural producers to climate change	0%	2%	9%	37%	33%	20%	0	4.6	4.1	4.8
							Answered	183	62	121

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 13.1

Project staff. Please indicate to what extent you agree or disagree with the following statements: IFAD-supported value chain projects have contributed to:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
Answer choices								
Improvement in food and nutrition security of the rural poor	0%	0%	2%	19%	45%	34%	6	5.1
Increase in assets and incomes of the rural poor	0%	0%	1%	10%	51%	38%	5	5.3
Better capacity of producer organizations regarding quality	0%	0%	1%	17%	54%	28%	10	5.1
Better capacity of producer organizations on processing and marketing aspects	0%	1%	1%	20%	50%	28%	8	5.0
Better capacity of producer organizations on planning, management and negotiation	0%	2%	4%	26%	50%	18%	8	4.8
Improvement in poor rural women's status and decision-making power	0%	1%	3%	23%	44%	30%	6	5.0
Improvement in economic opportunities for young people	0%	1%	1%	23%	54%	21%	10	4.9
Sustainable management of natural resources	0%	1%	3%	25%	49%	23%	8	4.9
Resilience of poor rural producers to climate change	0%	1%	5%	30%	40%	25%	9	4.8
							Answered	121

Source: IOE pro-poor value chain development questionnaire (2018).

TABLE 13.2

IFAD staff. Please indicate to what extent you agree or disagree with the following statements. IFAD-supported value chain projects have contributed to:

	Strongly disagree	Disagree	Moderately disagree	Moderately agree	Agree	Strongly agree	No opinion	Average project staff
Answer choices								
Improvement in food and nutrition security of the rural poor	0%	2%	7%	40%	31%	20%	7	4.6
Increase in assets and incomes of the rural poor	0%	0%	2%	30%	42%	26%	5	4.9
Better capacity of producer organizations regarding quality	0%	0%	0%	25%	47%	28%	9	5.0
Better capacity of producer organizations on processing and marketing aspects	0%	0%	2%	41%	40%	17%	4	4.7
Better capacity of producer organizations on planning, management and negotiation	0%	0%	2%	55%	28%	16%	4	4.6
Improvement in poor rural women's status and decision-making power	0%	2%	10%	31%	47%	10%	4	4.5
Improvement in economic opportunities for young people	2%	2%	14%	43%	33%	7%	4	4.2
Sustainable management of natural resources	0%	4%	16%	48%	27%	5%	6	4.1
Resilience of poor rural producers to climate change	0%	3%	17%	50%	21%	9%	4	4.1
							Answered	62

Source: IOE pro-poor value chain development questionnaire (2018).

Annex V

List of key persons met

IFAD

Programme Management Department (PMD)

- Mr Donal Brown, Associate Vice-President
- Mr Perin Saint Ange, former Associate Vice-President

Operational Policy and Results Division (OPR)

- Ms Raniya Sayed Khan, Policy and Results Specialist

Asia and the Pacific Division (APR)

- Mr Aryal Bashu Babu, Country Programme Officer, Nepal
- Mr Fabrizio Bresciani, Regional Economist
- Mr Nigel Brett, former Lead Portfolio Advisor
- Mr Tawfiq El-Zabri, Country Programme Manager, Pacific Islands
- Ms Lakshmi Moola, former Country Programme Manager, Nepal

IFAD Country Office in Viet Nam

- Mr Thomas Rath, Country Director
- Ms Thu Hoai Nguyen, Programme Support Analyst
- Mr Thanh Tung Nguyen, Country Programme Officer
- Mr Sauli Hurri, Value Chain Consultant
- Ms Khanh Nguyen, Country Programme Assistant

East and Southern Africa Division (ESA)

- Mr Rodney Cook, former Director a.i.
- Ms Abla Benhammouche, former Regional Portfolio Advisor a.i.
- Ms Shirley Chinien, Regional Economist
- Ms Elena Pietschmann, Programme Officer

IFAD hub in Kenya

- Mr Hani Abdelkader Salem Elsadani, former Country Programme Manager, Sudan

IFAD hub in South Africa

- Mr Robson Mutandi, Country Director

Latin America and the Caribbean Division (LAC)

- Ms Cintia Guzman Valdivia, Programme Officer, Argentina, Brazil, Chile, Paraguay and Uruguay
- Mr Joaquin Lozano, former Regional Director
- Mr Paolo Silveri, Lead Regional Economist
- Ms Luisa Migliaccio, Lead Portfolio Advisor

- Mr Ladislao Rubio, Country Programme Manager, Dominican Republic and Guyana

IFAD Country Office in Bolivia (Plurinational State of)

- Mr Arnoud Hameleers, Country Programme Manager, Bolivia (Plurinational State of) and Honduras

IFAD - El Salvador

- Mr Juan Diego Ruiz Cumplido, Sub-Regional Coordinator and Country Programme Manager, El Salvador, Guatemala Nicaragua and Panama

IFAD - Honduras

- Mr Jose Davila, Liaison Officer

Near East, North Africa and Europe Division (NEN)

- Mr Mohamed Abdelgadir, former Country Programme Manager, Bosnia and Herzegovina
- Mr Mikael Kauttu, Associate Country Programme Manager, Bosnia and Herzegovina, Kyrgyzstan and Tajikistan
- Mr Gabriele Marchese, Consultant, Grant Portfolio
- Mr Yonas Mekonen, former Associate Professional Expert, Bosnia and Herzegovina Kyrgyzstan Tajikistan
- Mr Abdelkarim Karim Sma, Lead Portfolio Adviser
- Mr Naoufel Telahigue, Country Programme Manager, Morocco

IFAD - Morocco

- Mr Chakib Nemmaoui, Country Programme Officer
- Mr Amine Talbi, Country Programme Assistant

IFAD Country Office in Sudan

- Mr Tarek Ahmed, Country Programme Manager

West and Central Africa Division (WCA)

- Ms Sylvie Marzin, Lead Portfolio Adviser
- Mr Valentine Achancho, Country Programme Manager, Chad and Niger
- Mr Vincenzo Galastro, former Country Programme Officer, Sao Tome and Principe
- Mr Bernard Hien, Country Programme Manager, Cameroon
- Mr Norman Messer, former Country Programme Officer, Sao Tome and Principe
- Mr Richard Pelrine, Lead Regional Economist

- Mr Philippe Remy, Country Programme Manager, Mauritania

IFAD - Rwanda

- Mr Francisco Pichon, Country Programme Manager, Rwanda
- Mr Aimable Ntukanyagwe, Country Programme Officer, Rwanda

IFAD hub in Senegal

- Mr Benoit Thierry, Director of Hub/Country Programme Manager, Cabo Verde, The Gambia, Mali, Mauritania and Senegal
- Mr Semou Diouf, Country Programme Officer, Senegal

External Relations and Governance Department (ERG)

- Ms Charlotte Salford, Associate Vice-President *Partnership and Resource Mobilization Office (PRM)*
- Mr Luis Jiménez-McInnis, former Director
- Ms Federica Cerulli, Senior Partnership and Advocacy Officer, Partnership Advocacy Unit (PAU)
- Ms Nicole Carta, Senior Partnership and Resource Mobilization Officer, Private Sector and Foundations Unit (PSF), New York IFAD Office
- Ms Bettina Prato, SAFIN Secretariat Coordinator
- Mr Khabbab Abdalla, Partnership and Resource Mobilization Officer, Arab and Gulf States Liaison Office (AGL)

Financial Management Services Division

- Mr Robert Creswell, Chief Financial Management Officer

Strategy and Knowledge Department (SKD)

- Mr Paul Winters, Associate Vice-President

Environment, Climate, Gender and Social Inclusion Division (ECG)

- Ms Margarita Astralaga, Director
- Mr Florent Baarsch, Environment and Climate Economist
- Ms Ndaya Beltchika, Lead Technical Specialist Gender and Social Inclusion
- Ms Isabel de La Peña, Nutrition Consultant
- Mr Patrick Eric, Climate Change Adaptation Specialist
- Ms Beatrice Gerli, Gender and Social Inclusion Consultant
- Mr Steven Jonckheere, Senior Technical Specialist - Gender and Social Equality
- Ms Joyce Njoro, Lead Technical Specialist-Nutrition
- Mr Oliver Page, Senior Climate and Environmental Specialist for Latin America and the Caribbean

- Mr Pathe Séné, Regional Climate and Environment Specialist

Sustainable Production, Markets and Institutions Division (PMI)

- Ms Mylène Kherallah, Lead Global Technical Adviser, Rural Finance, Markets and Value Chains
- Mr Mattia Prayer Galletti, Lead Technical Specialist - Indigenous Peoples and Tribal Issues
- Mr Michael Hamp, Lead Regional Technical Specialist Rural Finance, Markets and Enterprises

Research and Impact Assessment Division (RIA)

- Ms Alessandra Garbero, Senior Econometrician

Other IFAD departments/divisions

- Mr Adolfo Brizzi, former Special Adviser to the President on Smallholders and SME Investment Finance Initiative
- Mr Marco Camagni, former Rural Markets and Enterprises Development Senior Expert, former Policy and Technical Advisory Division (PTA)
- Mr Enrique Hennings, former Lead Technical Specialist
- Mr Antonio Rota, Lead Global Technical Specialist, Livestock, former PTA
- Ms Christa Ketting, former Rural Markets And Enterprises Development Expert, former PTA
- Mr Ivan Cossio, former Director, Quality Assurance Group

Government

Bosnia and Herzegovina

Agriculture Project Coordination Unit

- Mr Stefan Mitrovic, Director
- Mr Dragan Vuckovic, RCDP Manager
- Ms Violeta Lemic, Gender and Targeting Officer and Interpreter
- Mr Zoran Kovacevic, RBDP Manager (and former Assistant Manager of Agriculture)
- Ms Natasa Kosic, M&E Officer

Extension Services

- Mr Miroslav Bovic, Head of Office, Banja Luka
- Ms Jelena Vlacic, Head of Regional Office, Sokolak

Ministry of Finance and Treasury

- Ms Dragana Aleksic, Assistant Minister
- Ms Svetlana Vukojcic, Senior Associate

Ministry of Agriculture, Water Management and Forestry

- Mr Boris Pasalic, Assistant Minister
- Mr Husnija Kudic, Advisor to the Ministry on Agriculture and Veterinary Issues
- Ms Dragana, Interpreter

Project Coordination Unit for IFAD-funded projects, Sarajevo in Bosnia and Herzegovina

- Mr Ismael, Field Coordinator, Bihac
- Ms Anna Dropulic, Inclusive Business Officer
- Mr Halil Omanovic, Director
- Ms Aida Selimic, Gender and Targeting Officer
- Ms Mersija Selimovic, M&E Officer and Credit Coordinator
- Ms Daria Simunovic, Administration Officer and Interpreter

El Salvador

Ministry of Agriculture and Livestock

- Mr Jose Hernandez, Director General, General Directorate of Rural Development
- Mr Patricia Alfaro Mancia, Director, Agricultural Development Cooperation Office
- Mr Kenny Escamilla, Coordinator, Agrobusinesses Division
- Ms Jessica Gonzales, Technical Specialist, Agrobusinesses Division

Project staff Amanecer Rural

- Ms Cecilia Bernabe, Project Coordinator
- Mr Juan Jose Pineda, Productivity, Environment and Natural Resource Management and Food Security Consultant
- Mr Erayda Briceño, Financial and Fiduciary Specialist
- Ms Ana Moreno, Gender Unit Coordinator
- Ms Ana Rivera, Communication Consultant
- Mr Rene Lopez, Procurement Specialist

Project staff PRODEMOR CENTRAL

- Mr Héctor Iván Borja Galeas, Project Coordinator
- Ms Ana María López, Small Businesses and Micro-Enterprises Coordinator

- Mr Rafael Paredes, Natural Resources Management Coordinator
- Ms Evelyn Cienguegos, Social and Human Capital Development Coordinator
- Ms Reina Moreira, Gender Unit Coordinator
- Mr Emilio Aguilar, Rural Finance Services Coordinator
- Ms Carmen Morales, Monitoring and Evaluation Specialist

Honduras

Ministry of Agriculture and Livestock (Secretaría de Agricultura y Ganadería, SAG)

- Mr Erick Martinez, Director, Programa Nacional de Desarrollo Agroalimentario (PRONAGRO)
- Mr Ricardo Peña, Director, Unidad de Planeamiento y Evaluación de la Gestión (UPEG)

Project staff EMPRENDESUR

- Mr Carlos Cruz, Director
- Mr Marlon Gomez, Coordinator Component I
- Mr Jonatan Duran, Administrator
- Mr Luis Osipovich, Planning Officer
- Ms Karla Caseres, Monitoring and Evaluation Officer
- Mr Misael Huesos, Procurement Officer
- Mr Allan Lopez, Coordinator Component III

Project staff PRO-LENCA

- Mr Carlos Mejiam, Director
- Ms Roney Buzzo, Coordinator Component I
- Mr Jorge Luis Pineda, Coordinator Component II
- Mr Jenaro Sanchez, Coordinator Component III
- Mr Christian Montoya, Coordinator Mocala Premises
- Mr Xiomara Gomez, Specialist in Adaptation and Climate Change
- Ms Hilde Cartagena, Planning Officer

Mauritania

Ministry of Agriculture

- Mr Sidi Taleb Nectar, Assaba Delegate
- Mr Bakari, Camara, Gorgol Delegate
- Dr Sidy Ely Menoum, Director
- Mr Cheik Ahmed Sidi Abdalla, Deputy Director, Directorate for Value Chain Development and Agricultural Extension
- Mr Abdellahi Baba Zeyad, Director, Directorate for Strategies, Cooperation and Monitoring and Evaluation

Ministry of Commerce

- Mr M.B. Diallo, Gorgol Delegate

Ministry of Environment

- Mr Samba Simakla, Gorgol Delegate

Ministry of Livestock

- Mr Mohamadou Ould Seyorol, Assaba Delegate

- Mr Ahmed Salem El Arbi, Director, Directorate for Cooperation Policy and Monitoring and Evaluation
- Mr Lemrabott Ould Mekhela, Director, Value Chain Directorate

Morocco

Ministère de l'Agriculture

- Mr Said Laith, Director, Directorate of Rural Area and Mountain Zone Development
- Mr Abdeslam Chriqi, Director, Directorate for Value Chains Development

Agence pour le Développement Agricole

- Mr Hamid Faik, Chef de la Division des Financements

Province of Marrakech

- Mr Abdellah El Mendily, Provincial Director of Agriculture

Project staff PDFAZMH

- Ms Fadwa Faidani, Project Coordinator
- Ms Zaineb Ben Sassi, Agrifood Consultant
- Ms Ouissal El Khatar, Marketing Consultant
- Mr Hamid Bouhamidi, Horticultural Consultant
- Mr Karim Redouane, Sociologist Consultant
- Ms Zakia Ajar, Monitoring and Evaluation Consultant

Project staff PDRZM

- Mr Anas El Mortadi, Project Manager Engineer

Province of Séfrou

- Mr Mohammed Mezzour, Provincial Director of Agriculture

Province of Taza

- Mr Abdelhamid Benali, Provincial Director of Agriculture
- Ms Sana El Kandoussi, Representative of the Rural Affairs Division
- Mr Mohamed Chkini, Agricultural Technical Advisor, Agricultural Advisory Centre
- Mr Yahia Yahyaoui Idrissi, Technical Officer, ONSSA (Office National de Sécurité Sanitaire des produits Alimentaires)
- Ms Sanae Zahraoui, Horticultural Engineer, Provincial Directorate of Agriculture

Nepal

High Value Agricultural Project

- Mr Rajendra Bhari, Project Manager

Ministry of Agriculture and Livestock Development

- Mr Prakash Mathema, Secretary, Livestock Development
- Mr Yubak Dhoj, Secretary
- Mr Shyam Prasad Poudyal, Joint Secretary
- Mr Yogendra Kumar Karki, Joint Secretary

Niger

Chambre Régionale d'Agriculture

- Mr Guéro Abdourahamane

Conseil Régional de Maradi

- Mr Elh Sadissou Oumarou

MECAT

- Mr Ali Moustapha
- Mr Saidon Rabim, BAGRI

Ministry of Agriculture and Livestock

- Mr Diamoitou Boukari

Ministry of the Interior of Public Security,

Decentralization, Customary and Religious Affairs

- Mr Sani Sanoussi, Maradi Region

Ministry of Planning

- Mr Yakoubou Sani, Directorate-General for Development Programming

- Mr Amadou Mainassara, Investment Monitoring Department

Project staff ProDAF

- Mr Sadikou Saley, Programme Niger
- Mr Soumaila Abdoullaye, Programme Niger
- Mr Moussa Idé, Programme Niger
- Mr Alkaly Abdoulkarim, Programme Niger
- Mr Mohamadou Coumarou, Programme Niger

Banque Agricole du Niger (BAGRI)

- Mr Abdoul Barazé

Republic of Moldova

Ministry of Agriculture

- Mr Iurie Usurelu, General Secretary of State, Regional Development and Environment
- Mr Viktor Rosca, Project Director
- Ms Elena Bualacu, Credit Manager, Regional Development and Environment Consolidated

Programme Implementation Unit (CPIU)

- Mr Igor Spivacenco, Senior Monitoring and Evaluation Officer, CPIU
- Mr Alexandru Anton, Monitoring and Evaluation Assistant, CPIU

Ministry of Finance

- Ms Elena Matveeva, Head of Department

PRODEFI project in Kaedi

- Mr Abdelkader Mohammed Saleck, Coordinator
- Mr Mih Ahmed, Diodie, Decentralized Team Coordinator
- Mr Sidy Ely Tayeb, Assistant
- Mr Taleb Ahmed, Accountant
- Mr Mustapha Manhonet, Monitoring and Evaluation Assistant
- Mr Bamanthia Mamadou, Tandia, Decentralized Team Coordinator
- Mr Mohamed Thamaref, Value Chain Expert

Rwanda

Business Development Fund

- Mr Sam Muhinda, Investment Analyst
 - Mr John Rutagengwa, Grant Manager
- ### *IFAD-MINAGRI Single Project Implementation Unit*
- Mr Emmanuel Gisagara, Access to Finance Specialist
 - Mr Raymond Kamwe, Gender Specialist

- Mr Jean-Claude Mudahunga, Head, Planning, Monitoring and Evaluation
 - Mr Louis Munyemanzi Ndagijimana, Head, Finance and Fiduciary Aspects
 - Mr Alfred Mutebwa, PRICE Operations Manager
 - Mr Alexis Ndagijimana, Coordinator a.i.
 - Mr Elvis Blaise Nkundanyirazo, PASP Operations Manager
 - Mr Toussaint Nosisi, PRICE Tea Specialist
 - Mr Jean-Paul Ntagznda, Market Support Specialist
 - Mr Emmanuel Shyaka, Access to Finance Specialist
 - Ms Madeleine Usabyimbabani, Climate and Environment Specialist
- Ministry of Agriculture and Animal Resources*
- Mr Jean-Claude Kayisinga, Permanent Secretary
- Misozi Coffee Company*
- Mr Kevin Jean Dieu Nkunzimana, Managing Director
- National Agricultural Export Development Board*
- Mr Laurent, Sericulture Expert, Karongi District
 - Ms Marie-Bonne, Gakumba-Rugwiro, Sericulture Specialist, Kigali District
 - Mr William Niyitanga, Coffee Specialist, Kigali District
 - Ms Sandrine Urujeni, Deputy CEO, Kigali District
- Rwanda Agricultural and Animal Resources Development Board*
- Dr Charles Bucagu, Deputy Director General, Agriculture Research and Technology Transfer
- Rwanda Development Bank*
- Mr Benjamin Manzy, Export Investment Manager
- Rwanda National Dairy Platform*
- Mr John Musemakweli, Executive Director

Senegal

Agence Nationale de Conseil Agricole et Rural (ANCAR)

- Ms Ania Keita Cessigné, Monitoring and Evaluation Officer
- Mr Yakhoubou Cissé, Tambacounda Regional Coordinator

Ministry of Agriculture and Rural Equipment

- Dr Macoumba Diouf, Director, Horticulture Directorate
- Mr Mamadou Sané, Director of Agriculture
- Mr Dogo Seck, Secretary General

Ministry of Livestock

- Dr Dame Sow, Director, Directorate for Livestock
 - Dr Yakhya Elhadji, Thior, IFAD Focal Point
- PADAER Project Coordination Unit*
- Mr Douandia Ba Kolda, Regional Coordinator
 - Mr Yoro Ba, Rural Extension Officer

- Mr Mamadou Camara, Operations Officer
 - Mr Demba San Diallo
 - Mr Hamat Ly, Kédougou Regional Coordinator
 - Mr Ngagne Mbao, Project Coordinator
- PAPA/E Project Management Unit in Tambacounda*
- Mr Abiboulaye Ba, Project Coordinator
 - Mr Ibrahima Ndiaye, Monitoring and Evaluation Officer
 - Mr Ibrahima Pouye, Value Chain Specialist
- Regional Direction for Rural Development*
- Dr Souleymane Diop, Director
 - Mr Fada Ly, Regional Director

Viet Nam

Ministry of Agriculture and Rural Development

- Nguyen Minh Tien, Director General, National Coordination Office for New Rural Development

Ministry of Finance

- Nguyen Lan Anh, Deputy Director, Multilateral Division,

Ministry of Planning and Investment

- Nguyen Hoa Cuong, Deputy Director General
- Nguyen Thi Thanh Phuong, Deputy Director General, Foreign Economic Relations Department

Project staff Province of Tuyen Quang/ Tam Nong

- Pham Ninh Thai, Project Director
- Nguyen Van Dinh, Project Deputy Director
- Nguyen Dai Thanh, Deputy Director, District Agriculture and Rural Development
- Nguyen Manh Tu, Deputy Director, Cultivation and Plant Protection Sub-Department
- Vu Thi Phuong, Chief Accountant, Manager of Financial Management Section

Project staff Ha Giang

- Be Xuan Dai, Project Director
- Do Dinh Huy, Project Deputy Director
- Dao Thi Lan Anh, Chief Accountant - Manager of Financial Management Section
- Pham Hong Phong, Manager of M&E Section

Project staff Hâm Yên

- Vu Dinh Hung, Chairperson of the District People's Committee
- Trinh Quoc Sang, Chief Officer of the District People's Committee Office
- Dam Ngoc Hung, Manager of the District Agriculture and Rural Development
- Trieu Thi Nguyet, Staff, District Farmer Union

Project staff Mekong Delta in Ben Tre and Tra Vinh, Adaptation to Climate Change

- Nguyen Truc Son, Party Secretary, former Project Director,

Thanh Phu District

- Nguyen Khac Han, Project Director
- Le Minh Hoa, Deputy Director
- Nguyen Hoai Nam, Deputy Director
- Doan Thi Lan Anh, Deputy Manager of Strategic Management Division

- Le Van Cuong, Staff of Strategic Management Division

Project staff Na Hang

- Nguyen Viet Hung, Chairperson of the District People's Committee
- Le Huu The, Chief, Officer of the District People's Committee Office
- Chau Trung Kien, Deputy Manager of the District Agriculture and Rural Development
- Chu Duc Hoai, Vice-Chairperson of District Farmers Union

State Bank of Viet Nam

- Mr Bui Quang Trung, Head, Division for the AIIB and Other Multilateral Investment and Development Banks, Department of International Cooperation

International organizations

African Development Bank (AfDB) in Morocco

- MR Khiati Driss, Agricultural Development Specialist

Agencia española de cooperación internacional para el desarrollo in Morocco

- Mr Jesús María Guerrero Marín, Project Responsible Officer

Agence Française de Développement (AFD) in Morocco

- Ms Lucie Thibaudeau, Chargée de Mission, Agriculture and Rural Development

Asian Development Bank

- Mr Arun Rana, Senior Project Officer

Central American Bank for Economic Integration (BCIE) in Honduras

- Mr Jose Deras, Director, Office of Evaluation
- Ms Shirley Orellana, Evaluation Officer, Office of Evaluation

Delegation of the European Union in Mauritania

- Mr Philippe LeClerc, Rural Development and Food and Nutrition Security Section Leader

Netherlands Development Organization (SNV)

- Ms Claudia Najarro, Manager-4Ps partnering for value project, El Salvador
- Mr Bara Ndiaye, former Coordinator, Senegal
- Alison Rusinow, Country Director, Viet Nam
- Bui Van Minh, Programme Officer, Viet Nam

EU-funded RIMRAP Programme in Mauritania

- Mr Benderdouche Abderahmane, Programme Coordinator
- Mr Hamzate Kane, Monitoring and Evaluation Officer

Food and Agriculture Organization of the United Nations (FAO)

- Ms Laura De Matteis, Value Chain Development Consultant, Agricultural Development Economics Division, Economic and Social Development Department
- Mr David Neven, Senior Programme Advisor, Food Systems Programme

- Mr Mamadou Diarra, Assistant Representative, Mauritania

- Mr Salikimould Aghoub, Consultant, Mauritania

- Mr Binod Saha, Assistant Country Representative, Nepal

- Ms Shrawan Adhikary, Programme Officer, Nepal

- Mr Otto Muhinda, Assistant FAO Representative, Rwanda

- Mr Makhfousse Sarr, Project coordinator, Climate Resilience FAO/GEF Project Senegal

- Mr Ibrahim Faye, Programme-support Consultant, Senegal

- Mr Luc Genot, FAO Office, Niger

- Nguyen Minh Nhat, National Programme Officer, FAO Office, Viet Nam

German Corporation for International Cooperation (GIZ)

- Ms Karin Rau, Expert for Sectoral Economic Development, Bosnia and Herzegovina

International Labour Office (ILO) Geneva

- Mr Merten Sievers, Value Chain Development and Entrepreneurship Coordinator, Enterprise Department

International Trade Centre (ITC) Geneva

- Mr Robert Skidmore, Chief, Sector Competitiveness

Swiss Agency for Development and Cooperation

- Mr Andreas Loebell, Programme Manager, Employment and Income, Nepal

- Ms Yamuna Ghale, Senior Programme Officer, Nepal

USAID

- Mr Feda Begovic, Private Sector Component Lead (formerly with Oxfam pilot), Sweden Farma II, Bosnia and Herzegovina

- Mr Elhadjy Abdou Gueye, Value Chain Advisor, USAID-funded Naatal Mbaay Project, Senegal

- Mr Jean Michel Voisard, Senior Market System Advisor, USAID-funded Naatal Mbaay Project, Senegal

- M Navin Hada, AID Project Development Specialist, Nepal

World Bank Group

- Ms Mirjana Karahasanovic, Senior Operations Officer, Bosnia and Herzegovina

- Ms Olga Sainciuc, Deputy Director, Implementation Unit, Agriculture, Republic of Moldova

- Mr David Olivier Treguer, Senior Agricultural Economist, Morocco

- Mr Mohamed Medouar, Senior Rural Development Specialist, Morocco

- Mr Sergiy Zorya, Senior Economist, Food and Agriculture Global Practice, Viet Nam

World Food Programme (WFP)

- Mr Federico Doehnert, WFP Office, Niger

Non-governmental organizations and associations

Bosnia and Herzegovina

Oxfam, Bosnia and Herzegovina

- Mr Stefano Baldini, Director, Oxfam RC ARGONET
- Mr Boris Tadic, Service Provider, Banja Luka Sarajevo Economic Region Development Agency (SERDA)
- Mr Sinisa Obradovic, Head of Regional Development Department, Zenica

El Salvador

National Cooperative Business Association

- Ms Beatriz Alegria, Marketing Specialist Coffee Value Chain

Honduras

Fundación para el Desarrollo Rural (FUNDER)

- Mr Miguel Angle Bonilla, Director

Mauritania

ACORD

- Mr Alessane Diallo, Project Coordinator, Kaedi Association Mauritanienne pour l'Auto-Développement (AMAD)
- Mr El Hadji Mamadou Ba, President, Nouakchott
- Mr Abdoulahi Toure, Provincial Coordinator, Kaedi

GRDR Nouakchott

- Ms Géraldine Choquel, Mauritania Coordinator
- Ms Léa Graafland, GRDR Coordinator for RIMRAP

GRET

- Mr Abderahmane N'Dongo, Mauritania Director Kaedi
- Mr Lamkoande Namoubousga, Project Coordinator Kaedi
- Mr Sjol Mohamed Homeida, Regional Coordinator, GRET/RIMRAP Kiffa
- Mr Diongara Seck, Monitoring and Evaluation Expert, GRET/RIMRAP Kiffa

Oxfam

- Mr Moussa Ba Djiby, Project Coordinator

Morocco

Association Maison Familiale Rurale Beni Snassen

- Mr Mohammed El Qadiri, President Association Nationale Ovine et Caprine
- Mr Abderrahman Boukallouch, General Director,
- Mr Said Mihi, Head of the Project and Cooperation Unit

Chambre de l'agriculture de la région de Meknès

- Ms Hafida Beauzigui, Director Coopérative Féminine Tighazratine

- Mr Mohamed Touchane, Director PMER Féminine Khairat Al Jibal
- Ms Majdouline Sbaa, Founder

Nepal

Heifer International Nepal

- Mr Shubh Mahato, Country Director
- Ms Neena Joshi, Director of Programme Improved Seeds for Farmers Programme
- Kaushal Paudel, Project Manager, Kisankalagi Unnat Biu-Bijan Karyakram

Netherlands

SNV Netherlands

- Mr Peter Newsum, Country Director

Niger

SOWOU/SNV

- Mr Moustapha Système d'Information de Marchés Agricoles (SIMA)
- Mr Djibrilla Garba

Republic of Moldova

Table Grape Association (TAG)

- Mr Sergei Zabolotnii, Representative

Rwanda

Cezony Milk Collection Cooperative, Nyabihu District

- Mr Gahiga Rusibana, President Producer Cooperative, Kayonza District
- Mr Geoffrey Kayihura, President Rwanda Farmers Organization IMBARAGA
- Mr Joseph Gafaranga, General Secretary, Kigali Rwimbogo Dairy Cooperative
- Mr Pita Moringa, President, Gatsibo District
- Mr Francis-Xavier, Accountant

Senegal

AGRECOL

- Mr Assana Gueye, Coordinator, Thiés Association sportive et culturelle Diam Bugum Niakhar
- Mr Mame Birame Sene, President
- Mr Abdou Diouf, Partnerships and External Relations

Economic Interest Group Xaritu Xaleyi, Khonguel, Kaffrine

- Ms Khadiatou Ndiaye, President Federation of Nganda Women Producers and Processors
- Ms Aïssatou Cissé, President, Nganda, Kaffrine
- Ms Aminata Diarra, Administration and Management

Millet Commodity Platform/ Cadre National de l'Interprofession de la Filière Mil

- Mr Ibra Kane, President, Diourbel Niébe Commodity Platform/Cadre National de l'Interprofession de la Filière Niébé
- Mr Ali Bogoné, Vice-President, Diourbel

- Mr Boubacar Sidibe, Staff Member, Diourbel
 - Mr Siri Executive Secretary, Diourbel
- Union des Institutions Mutualistes Communautaires d'Épargne et de Crédit (U-IMCEC)*
- Mr Ousmane Thiongane, Director General, Dakar

Viet Nam

HELVETAS Viet Nam

- Pham Van Luong, Country Director
- Hoang Thi Lua, Project Manager

Private sector

Bosnia and Herzegovina

Bosnia Bank International (BBI)

- Ms Mirsada Cengic + female colleague, Bank Representative, Sarajevo

Eki Microfinance

- Mr Faris Hadzihajdic, Regional Manager, Zenica

UniCredit

- Mr Ognjen Vukovic, Credit Representative, Rogatica

El Salvador

Consejo del café de El Salvador

- Mr Hugo Martinez, Executive Director
- Ms Sandra Romero, Chief of Technologies

Frutas y Verduras El Shaddai

- Mr Carlos Lanza, General Manager
- Ms Wendy Valladares, General Manager
- Mr Jonathan Velazques, Sales Representative
- Mr Pedro Vasquez, Quality Control

Italy

Cargill Sri Lanka

- Mr Fernando Haridas, Deputy General Manager, Sri Lanka

Mars

- Ms Fay Choo, Asia Director for Cocoa Sustainable Sourcing for Mars Incorporated

Nestlé

- Ms Andrea Biswas Tortajada, Sustainability Specialist, Switzerland

Morocco

Interprolive

- Mr Ahmed Khanoufi, Director

Réseaux et Accès au marché

- Mr Ali Berrada, Expert, Project PAMPAT-UNIDO

Nepal

Sana Kisan Bikas Bank

- Mr. Shivaram Prasad Kouirala, Chief Executive Officer
- Mr Jhalendra Bhattarai, Acting Deputy Chief Executive Officer

Republic of Moldova

Mobias Bank Republic of Moldova

- Ms Hatuna Maximciuc, Branch Director
- National Federation of Agricultural Producers from Republic of Moldova (Agro-inform)*

- Ms Aurelia Bondari, Executive Director
- Organisation for Small and Medium Enterprises Sector Development (ODIMM)*

- Mr Petru Gurgurov, Interim Director General

Rwanda

4B-holding

- Mr Bahati Wenslars, Project manager, Kayonza District

Africa Development Consultant

- Ms Rebecca Rurubula, Business Plan Advisor, Kigali

Artisan Coffee Groups

- Ms Ruth Church, President, Rutsiro District
- ### Kadugara Enterprise
- Mr Frank Kadugara, Owner, Kayonza District
- ### Muhe Dairy Centre
- Mr Denis Twagiramungu, Owner, Nyabihu District

Rutsiro Tea Factory, Rwana Mountain Tea Company

- Mr Thushara Pinidiya, Director General, Rutsiro District

SORWAFFA

- Mr Alfred Ntaganda, Consultant, Kigali
- Mr Eric Ntare, Consultant, Kigali
- Mr Yara Rwanda, Store Manager

Senegal

Alif Group

- Mr Mamadou N'gom, Director General, Sandiara

Caisse National de Crédit Agricole du Sénégal

- Mr Elhadjy Abdoul Aziz, Sarr Commercial Supervisor Central Area, Koalack

Esteval

- Ms Valerie Ndiaye, Co-founder, Dakar
- ### Niebe Commodity Platform/Cadre National de l'Interprofession de la Filière Niébé
- Ms Louise Ndiaye, President
 - Ms Fatou Diouf, Diourbel

Viet Nam

Ben Tre Import Joint Stock Corporation (Btrimex)

- Chadu Kim Yen, Chief Executive Officer

Research and training institutions

Bosnia and Herzegovina

University of Sarajevo, Faculty of Agriculture and Food Sciences, Institute of Food Sciences

- Mr Zlatan Saric, Professor and Dean

El Salvador

Universidad Centroamerica Jose Simeon Cañas

- Ms Fatima Penha, Vice-Rector of Social-Staff Inclusion
- Mr Herberth Morales, Vice-Rector of Social-Staff Inclusion

Honduras

Instituto Hondureño del Café

- Mr Nelson Funes, Director

Instituto Interamericano de Cooperación para la Agricultura (IICA)

- Ms Dominique Villeda, Assistant
- Mr Marco Tulio Fortin, Technical Coordinator

Morocco

Association Forum Féminin pour le Développement Communautaire

- Ms Samira Chouaibi, President

Niger

Laboratoire d'Etudes et de Recherche sur les Dynamiques Sociales et le Développement Local (LASDEL)

- Mr Hamani Oumarou, Niger

Republic of Moldova

National Agency for Rural Development (ACSA)

- Mr Constantin Ojog, Executive Director
- Mr Viorel Botnaru, Programmes Director

Viet Nam

Center for Agrarian Systems Research and Development (CASRAD)

- Hoang Xuan Truong, Head of Department of Farmer Organizations and Extension of Social Economy

Institute of Policy and Strategy for Agricultural and Rural Development

- Dang Kim Khoi, Director, Center for Agricultural Policy

Vietnam Academy of Agricultural Sciences

- Dao The Anh, Vice-President

Other resource persons

El Salvador

Swiss contact

- Mr Oscar Hernandez, Productivity and Rural Business Specialist, Honey Value Chain

Annex VI

Bibliography

International Fund for Agricultural Development (IFAD)

IFAD documents

IFAD. 2001. *Rural Poverty Report: The challenge of ending rural poverty*. Oxford: Oxford University Press; Rome: IFAD.

IFAD. 2006. *IFAD Targeting Policy*. Rome: IFAD.

IFAD. 2007. *Knowledge Management Strategy*. Rome: IFAD.

IFAD. 2007. *Strategic Framework 2007-2010: Enabling the rural poor to overcome poverty*. Rome: IFAD.

IFAD. 2008. *Targeting Policy*. Rome: IFAD.

IFAD. 2009. *Annual Report on Results and Impact of IFAD Operations*. Rome: IFAD.

IFAD. 2009. *Engagement with Indigenous Peoples Policy*. Rome: IFAD.

IFAD. 2009. *Rural Finance Policy*. Rome: IFAD.

IFAD. 2010. *Climate Change Strategy*. Rome: IFAD.

IFAD. 2010. *Pro-Poor Rural Value-Chain Development. Thematic study*. Rome: IFAD.

IFAD. 2010. *Strategic Framework 2011-2015*. Rome: IFAD.

IFAD. 2012. *Access to Markets: Making value chains work for poor rural people*. Promotional Pamphlet. Rome: IFAD.

IFAD. 2012. *Agricultural Value Chain Finance Strategy and Design*. Technical Note. Rome: IFAD.

IFAD. 2012. *Environment and Natural Resource Management Policy: Resilient livelihoods through the sustainable use of natural assets*. Rome: IFAD.

IFAD. 2012. *Gender Equality and Women's Empowerment Policy*. Rome: IFAD.

IFAD. 2012. *Partnership Strategy*. Rome: IFAD.

IFAD. 2012. *Private Sector Strategy: Deepening IFAD's engagement with the private sector*. Rome: IFAD.

IFAD. 2012. *Report of the Consultation of the Ninth Replenishment of IFAD's Resources*. Rome: IFAD.

IFAD. 2013. *IFAD and Public-Private Partnerships: Selected project experiences*. Rome: IFAD.

IFAD. 2014. *Commodity Value Chain Development*. Teaser. Rome: IFAD.

IFAD. 2014. *Commodity Value Chain Development Projects: Sustainable inclusion of smallholders in agricultural value chains*. How to Do Note. Rome: IFAD. <https://www.ifad.org/en/web/knowledge/publication/asset/39402428>.

IFAD. 2014. *Commodity Value Chain Development Projects: Sustainable inclusion of smallholders in agricultural value chains*. Lessons Learned Note. Rome: IFAD.

IFAD. 2014. *Results and Impact Management System: First and second level results*. Handbook. Rome: IFAD.

IFAD. 2015. *Brokering Development: Enabling factors for public-private-producer partnerships in agricultural value chains*. Rome: IFAD.

IFAD. 2015. *Climate Change Risk Assessments in Value Chain Projects*. Rome: IFAD.

IFAD. 2015. *Livestock Value Chain Analysis and Project Development*. How to Do Note. Rome: IFAD.

IFAD. 2015. *Policy for Grant Financing*. Rome: IFAD.

IFAD. 2015. *Public-Private-Producer Partnerships (4Ps) in Small Ruminant Value Chain Development in India*. Promotional Pamphlet. Rome: IFAD.

IFAD. 2015. *Report of the Consultation of the Tenth Replenishment of IFAD's Resources*. Rome: IFAD.

IFAD. 2015. *Sustainable Inclusion of Smallholders in Agricultural Value Chains*. Scaling Up Note. Rome: IFAD.

IFAD. 2016. *Development Effectiveness Framework*. Rome: IFAD. <https://webapps.ifad.org/members/eb/119/docs/EB-2016-119-R-12.pdf>.

IFAD. 2016. *Livestock Value Chain Analysis and Project Development*. How to Do Note. Rome: IFAD.

IFAD. 2016. *How to Monitor Progress in Value Chain Projects*. Rome: IFAD.

IFAD. 2016. *Public-Private-Producer Partnerships (4Ps) in Agricultural Value Chains*. How to Do Note. Rome: IFAD.

IFAD. 2016. *Strategic Framework 2016-2025: Enabling inclusive and sustainable rural transformation*. Rome: IFAD.

IFAD. 2017. *Leveraging Partnerships for Country-level Impact and Global Engagement*. Rome: IFAD.

IFAD. 2017. *Report of the Consultation of the Eleventh Replenishment of IFAD's Resources*. Rome: IFAD.

IFAD. 2017. *Stocktaking of IFAD's Value Chain Portfolio*. Rome: IFAD.

IFAD. 2017. *Strategy for Establishment of the Smallholder and SME Investment Finance (SIF) Fund*. Rome: IFAD.

IFAD. 2017. *Taking IFAD's Results and Impact Management System (RIMS) to the Next Level*. EB 2017/120/R.7/Rev.1. Rome: IFAD.

Independent Office of Evaluation reports

IOE. 2010. *IFAD's Capacity to Promote Innovation and Scaling Up*. Corporate-Level Evaluation. Rome: IFAD.

IOE. 2011. *IFAD's Private-Sector Development and Partnership Strategy*. Corporate-Level Evaluation. Rome: IFAD.

IOE. 2015. *Evaluation Manual*. Second edition. Rome: IFAD.

IOE. 2015. *Revised IFAD Evaluation Policy*. Rome: IFAD.

IOE. 2016. *Smallholder Access to Markets*. Evaluation Synthesis. Rome: IFAD.

IOE. 2017. *Republic of Mozambique. Country Strategy and Programme Evaluation*. Rome: IFAD.

IOE. 2018. *Annual Report on Results and Impact*. Rome: IFAD.

IOE. 2018. *Building partnerships for enhanced development effectiveness – a review of country-level experiences and results*. Evaluation Synthesis. Rome: IFAD.

IOE. 2018. *Inclusive financial services for the rural poor*. Evaluation Synthesis. Rome: IFAD.

IOE. 2018. *IFAD's Support to Livelihoods Involving Aquatic Resources from Small-Scale Fisheries, Small-Scale Aquaculture and Coastal Zones*. Evaluation Synthesis. Rome: IFAD.

IOE. 2018. *IFAD's Financial Architecture*. Corporate-Level Evaluation. Rome: IFAD.

Other references

Arias, P., Hallam, D., Krivonos, E. and Morrison, J. 2013. *Smallholder Integration in Changing Food Markets*. Rome: FAO.

Asian Development Bank. 2012. *Support for Agricultural Value Chain Development*. Evaluation Knowledge Study. (Manila: Asian Development Bank).

Barrientos, S., Knorringer, P., Evers, B., Visser, M. and Opondo, M. 2016. Shifting Regional Dynamics of Global Value Chains: Implications for economic and social upgrading in African horticulture. *Environment and Planning A: Economy and Space*, 48(7): 1266-1283.

Biénabe, E., Rival, A. and Loeillet, D. eds. 2016. *Développement durable et filières tropicales*. Paris: CIRAD-AFD.

Dalberg. 2012. *Catalyzing Smallholder Agricultural Finance*.

Danish International Development Agency (DANIDA). 2010. *Gender and Value Chain Development*. Evaluation Study. Copenhagen: Danish Institute for International Studies.

Danish International Development Agency (DANIDA). 2016. *Evaluation of DANIDA Support to Value Chain Development*. Copenhagen: Evaluation Department, Ministry of Foreign Affairs of Denmark.

Danish International Development Agency (DANIDA). 2016. *Evaluation of DANIDA Support to Value Chain Development: Serbia Country Study*.

- Danish International Development Agency (DANIDA). 2016. *Evaluation of DANIDA Support to Value Chain Development: Uganda Country Study*.
- French Development Agency (AFD), IFAD and CIRAD. 2013. *Rainfed Food Crops in West and Central Africa: Points for analysis and proposal for action*. Paris: AFD.
- Food and Agriculture Organization of the United Nations (FAO). 2010. *Agriculture Value Chain Finance: Tools and lessons*. Rome: FAO.
- Food and Agriculture Organization of the United Nations (FAO). 2014. *Developing Sustainable Value Food Value Chains: Guiding principles*. Rome: FAO.
- Food and Agriculture Organization of the United Nations (FAO). 2017. *Defining Small Scale Food Producers to Monitor Target 2.3 of the 2030 Agenda for Sustainable Development*. Rome: FAO.
- Gereffi, G., Humphreys, J. and Sturgeon, T. 2005. The Governance of Global Value Chains. *Review of International Political Economy*, 12(1): 78-104. German Institute for Development Evaluation (DEVAL). 2016. *Agricultural Value Chains*. Bonn: Deval.
- German Corporation for International Cooperation (GIZ). 2012. *Contract Farming Handbook*.
- German Corporation for International Cooperation (GIZ). 2018. *Manual on Value Chain Development*.
- Humphrey, J. 2017. *Food Safety, Trade, Standards and the Integration of Smallholders into Value Chains*. IFAD Research Series. Rome: IFAD.
- Humphrey, J.H. 2009. Child Undernutrition, Tropical Enteropathy, Toilets, and Handwashing. *Lancet* (September 2009).
- Independent Development Evaluation of the African Development Bank (IDEV). 2018. *Strengthening Agricultural Value Chains to Feed Africa*. Cluster Evaluation Report. Abidjan: IDEV.
- Independent Evaluation Department of the Asian Development Bank (IED). 2012. *Support for Agricultural Value Chain Development*. Evaluation Knowledge Study.
- Independent Evaluation Group, World Bank Group. 2017. *Growing the Rural Nonfarm Economy to Alleviate Poverty. An evaluation of the contribution of the World Bank Group*. An Independent Evaluation. Washington, DC: IEG World Bank Group.
- International Food Policy Research Institute (IFPRI). 2015. *Value Chain and Nutrition: A framework to support the identification, design and evaluation of interventions*. Washington, DC: IFPRI.
- Kaplinsky, R. 2016. *Inclusive and Sustainable Growth: The SDG value chains nexus*. Geneva: International Centre for Trade and Sustainable Development.
- Kaplinsky, R and Morris, M. 2002. *A Handbook for Value Chain Research*. Brighton: Institute of Development Studies.
- Kaplinsky, R. and Morris, M. 2017. *How Regulation and Standards Can Support Social and Environmental Dynamics in Global Value Chains*. Geneva: International Centre for Trade and Sustainable Development.
- M4P. 2008. *Making Value Chains Work Better For The Poor: A toolkit for practitioners of value chain analysis*. Making Markets Work for the Poor Project, UK Department for International Development. Phnom Penh: Agricultural Development International.
- Nair, R. das and Chisro-Dube, S. 2017. *Growth and Strategies of Large, Lead Firms-Supermarkets*. CCRED Working Paper No. 8/2017. Johannesburg: Centre for Competition, Regulation and Economic Development.
- Organisation for Economic Co-operation and Development. 2008. *Public-Private Partnerships: In pursuit of risk sharing and value for money*. Paris: OECD.
- Porter, M.E. 1985. *Competitive Advantage: Creating and sustaining superior performance*. New York: Macmillan.
- Reardon, T. 2011. The Global Rise and Impact of Supermarkets: An international perspective. Conference paper for: *The Supermarket Revolution in Food: Good, bad or ugly for the world's farmers, consumers and retailers?*, Crawford Fund for International Agricultural Research, Canberra, Australia, 14-16 August 2011.
- Reardon, T. and Timmer, C.P. 2012. The Economics of the Food System Revolution. *Annual Review of Resource Economics*, 4: 225-125.
- Springer-Heinze, A. 2018. *ValueLinks 2.0. Manual on Sustainable Value Chain Development. 2 volumes*. Eschborn: GIZ.
- Stoian, D., Donovan, J., Fisk, J. and Muldoon, M.F. 2016. Value Chain Development for Rural Poverty Reduction: A reality check and a warning. In A. Devaux, M. Torero, J. Donovan and D.E. Horton,

eds. *Innovation for Inclusive Value-Chain Development: Successes and Challenges*, pp. 75-92. Washington, DC: IFPRI.

Thorpe, J. and Maestre, M. 2015. *Brokering Development: Enabling factors for public-private-producer partnerships in agricultural value chains*. Rome: IFAD and IDS.

United States Agency for International Development (USAID). 2014. *A Framework for Inclusive Market System Development*. https://www.marketlinks.org/sites/marketlinks.org/files/resource/files/Market_Systems_Framework.pdf.

World Bank. 2011. *Understanding Gender in Agricultural Value Chains: The cases of grapes/raisins, almonds and saffron in Afghanistan*.

World Bank. 2018. *Shaping Vietnam's Agriculture and Food System to Deliver Jobs*. Chapter 2 in *Vietnam's Future Jobs: Leveraging mega-trends for greater prosperity*. Main report. Hanoi: Hong Duc Publishing House.



Independent Office
of Evaluation



Investing in rural people

Independent Office of Evaluation
International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
E-mail: evaluation@ifad.org
www.ifad.org/evaluation
 www.twitter.com/IFADeval
 www.youtube.com/IFADevaluation

ISBN 978-92-9072-938-9



9 789290 729389